

## Engineering firms back pay limit

Engineering employers boosted the Government's attempts to resist pay increases when they refused to increase a 3.16 per cent offer affecting two million workers. At BL Cars 58,000 workers were given letters explaining that the firm's 3.8 per cent offer was all it could afford. Minors in Doncaster, South Yorkshire, began a campaign against the industry's incentive pay scheme. Page 2

## Cheap fares fail to charm London

The cure in bus and underground fares brought in by the Greater London Council were accepted with little gratitude by long-suffering commuters. They still found plenty to complain about in long queues, and lack of buses. Page 2

## Report of book theft delayed

A hundred rare volumes on the history of science and mathematics were missing from University College London for three weeks before the loss was reported to the police. When a rare books dealer got in touch with its library, staff found that padlocks on nine of 40 cabinets containing the collection had been changed. Page 2

## US military chief attacks MX plan

General David Jones, the top military officer in the United States, strongly attacked President Reagan's decision to base MX missiles in hardened silos. Mr Alexander Haig, the Secretary of State, told a Senate committee the United States must go ahead with its sale of Avco aircraft to Saudi Arabia despite Saudi objections to joint manning. Page 7

## Lord Goodman wins damages

Lord Goodman received "substantial damages" in settlement of a High Court libel action against the satirical magazine, Private Eye after the publication went to ahead with its sale of the magazine which suggested that he was homosexual and made another serious allegation. Page 6

## Three demands in Maze to be met

Three of the five demands made by the Maze prisoners will be met in part this week by Mr James Prior, Secretary of State for Northern Ireland. They are the issues of clothing, lost remission for the blanket protest and association between prisoners. Page 2

## Warships sale to Chile attacked

The proposed sale of two Royal Navy ships to Chile brought an angry reaction from Mr Brynmor John, opposition spokesman on defence, who described it as totally unacceptable. Page 6

## Peter Wilson dies in Majorca

Peter Wilson, the former Daily Mirror sports writer, widely known as "Mac", died yesterday of a heart attack after a long illness. He was 68. Page 14

## Squash champion under fire

Jonah Barrington, the British squash champion, faces further criticism over his training methods after announcing yesterday that he intends to find a world champion among nine and 10-year-olds. Page 15

## Chess draw

The third game in the world chess championships in Merano, Italy, yesterday was declared a draw after the forty-first move by Viktor Korchnoi, the challenger, Anatoly Karpov, the reigning champion, has a 2-0 lead in the series.

## Heath challenge

Mr Edward Heath will open his attack today on the government's economic policy in the first of a series of speeches leading up to the Conservative Party conference at Blackpool, where he hopes to take part in the debate on economics. Back page

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Letters: On unions, from Mr Tom Hoosen, MP; on academic tenure, from Dr Peter West and Dr Stephen Fender

Leading articles: European Monetary System; Social Democratic Party; London fares

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# Stronger pound and shares rise after pact on currency

By Frances Williams

The pound raced ahead on the world's financial markets yesterday as the dollar slumped in response to lower American interest rates and the markets tried to digest the impact of the weekend realignment within the European Monetary System.

News that several more leading United States banks including Morgan Guaranty, had joined Continental Illinois and cut their prime lending rates—the rates at which they lend to their best corporate customers—by 1 point to 12 per cent also cheered the stock and bond markets. In London the FT Index rose 14.1 points to 490.4.

The pound gained strongly on most currencies except, predictably, the newly revealed Deutsche mark and Dutch guilder.

The pound jumped 3.60 cents against the dollar to \$1.8550. It also performed well against the Deutsche mark, which was revalued within the EMS by 5.5 per cent along with the guilder, dropping only 4 pfennigs or less than 4 per cent to DM 4.13. The pound rose 33.1 centimes on the French franc, which was devalued with the Italian lira by 3 per cent to FF 10.1 from FF 10.344 on Friday. And the close in measuring sterling's value against the Swiss franc, the international value rose 0.8 to 88.1 per cent of its average 1975 level.

Trading in EMS currencies began hesitantly, but soon picked up as investors began to unravel speculative positions taken before the realignment. Frenchly, the French franc ended up the strongest currency within the EMS, pressing against its new (lower) ceiling against the Deutsche mark and guilder, prompting the Bank of France to intervene to sell francs for marks in an abrupt reversal of its previous stance. Dealers attributed the franc's strength to the switching back into francs of funds which had been moved into Deutsche marks.

Shares rose steeply in London yesterday but the rally was largely due to jobbers finding themselves short of stock in the former market than they had expected.

The FT Index gained 14.1 points to 490.4 points by the close in very thin trading. With little business about, jobbers are still nervous, arguing that poor money supply figures today could easily see a reversal of yesterday's rise.

Chase Manhattan bank, lowered by numerous other big United States banks, cut its prime lending rate to 19 per cent from 19 1/2 per cent. Continental Illinois had made a similar cut more than a week ago as other short-term rates fell.

But the Federal Reserve Board drained reserves from the markets, indicating that it may feel that for the moment short-term rates have fallen far enough.

Leading article, page 13  
Business News, pages 17 and 19

## Industry figures show inroads on inflation

By David Blake, Economics Editor

There was good news for the Government yesterday in its battle against inflation, as the price that industry pays for its raw materials and fuel costs fell by 1.5 per cent in September.

Figures produced by the Department of Industry showed that raw material and fuel costs went up by only 1.5 per cent in September, raising the index to 237.8.

The annual rate of increase rose for the seventh successive month to 17.4 per cent from 17 per cent in August, but this was caused by the fact that the exceptionally good figures recorded in September last year dropped out of the figures.

Factory gate prices also showed a small rise of 0.1 per cent, though this was higher than the increase in costs industry had to bear. Throughout most of this year, output prices—the amount which manufacturers charge—have been rising significantly and charges for the costs they pay. Output prices in September were 10 per cent above their level a year ago, the same increase as in the year to August.

The pattern of inflation in the shops is heavily influenced by wholesale prices, though in recent months big discounts in annual sales have done their part in holding inflation down.

The latest figures show that industry has been heavily squeezed by a combination of rising raw material costs and tight competition, which has meant that it cannot pass increases on to the consumer.

The increased raw material costs have been, in part, offset by the stability of labour costs. Low pay settlements and rising productivity have meant that there has been no increase in unit labour costs since the beginning of the year.

The most important factor driving up raw material costs has been the slide in sterling. This is particularly important in the short term because of its effect on oil prices, which are quoted in dollars. The sterling oil price thus rises automatically when the pound falls.

Government policy is now aimed at stabilising sterling to a bigger extent than previously, but the impact of this fall has still not been felt. Most projections suggest that inflation is likely to level off at around its current level of 10 per cent, though the Government has forecast that it will fall to 8 per cent by next Spring. Industry is expected to try to pass on some of its import costs as soon as its stocks are reduced to a more normal level.

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## De Lorean says allegations are 'stupid and asinine'

From Our Correspondent, New York, Oct 5

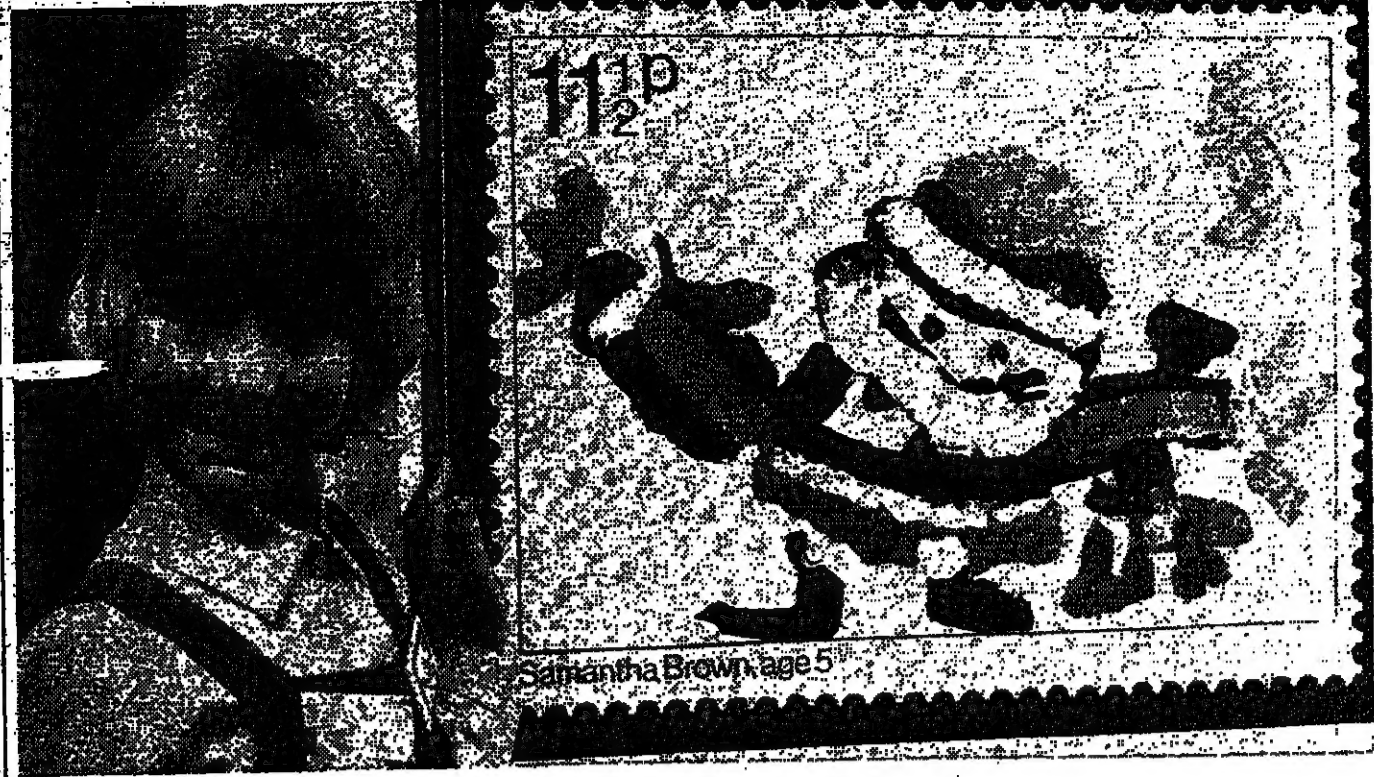
Mr John De Lorean, the man behind the De Lorean car company, last night denied allegations of financial wrongdoing in his dealings with the British Government.

He described as completely stupid and asinine a question asked about the charge that he has been "short-changing" the British taxpayer.

On the Belfast plant's future, Mr De Lorean said: "If the banks cut off our credit, the dealers then closure could very well happen."

Asked about the source of the allegation, Mr De Lorean said that the company's secretary was then demoted to clerk, and then demoted to typist in the PR department.

Mr De Lorean claimed that his company has exceeded some requirements of his agreement with the British Government



## Children's designs for Christmas stamps

Samantha Brown, aged five, whose painting of Santa Claus is one of five prize-winning pictures chosen for this year's Christmas stamps, to be issued by the Post Office on November 18. Samantha, of Rhosce, South Glamorgan, is among the youngsters, aged between 5 and 16, who won a competition organized by the Blue Peter television programme and the Post Office. Her design will be seen on the 11p stamp.

A stained-glass window effect is achieved by Tracy Jenkins, aged 14, of Luton, in her design of the head of Jesus for the 14p stamp.

An angel flies through a starlit sky in the painting of Lucinda Blackmore, aged six, from Clutton, Avon, for the 18p stamp. The 22p stamp, by Stephen Moore, aged 16, of Horsham, Sussex, depicts Joseph and Mary arriving at Bethlehem.

The three kings are portrayed on the 25p stamp by Sophie Sharp, aged eight, of Fulwood, Preston. (Photograph by Bill Warhurst.)

## McNally not to stand for Labour again but SDP must wait

By Richard Evans

Mr Tom McNally, Labour MP for Stockport, South, and former political adviser to Mr James Callaghan, told senior constituency workers last night that he did not want to stand as his party's candidate in the next general election. He has not, however, decided yet whether he will defect to the Social Democrats.

Mr McNally, a former vice-president of the National Union of Students, said last night: "I have become increasingly fed up with the anarchy in the local party. I had a lot of problems at selection and it has not improved; indeed, it has got worse." He was not afraid of a fight, but to try to operate from such a base against party policies he could not support was impossible.

Policy on unilateralism, the EEC, and the protectionist nature of the economic strategy had produced an isolationist, neutralist and protectionist Labour Party. "Many of the things I have talked about in policy terms may find a repository in the SDP."

At the Social Democrats' national conference in Perth yesterday the recruitment of Mr Bob McNally, until yesterday Labour MP for Southampton, Itchen, and now the SDP's eighteenth MP, was announced from the platform at the start of the day (Our Political Editor writes).

Two hours later the conference was cheering a moving speech from an even newer member, Mr William Hannan, former Labour MP for Glasgow, Marshall, Mr Hannan, after a lifetime in the Labour Party, said he was a refugee, not a deserter. He was welcomed and consoled with a kiss from Mrs Shirley Williams.

Dr David Owen, the former Foreign Secretary, was loudly applauded at the conference for an aggressive defence of the North Atlantic alliance. He said that the party he had helped to found must face two strands of opinion: isolationism and protectionism, leading to withdrawal from the EEC; and neutralism and unilateralism, leading to the weakening of Nato.

Dr Owen, at times almost violent in his assault on the dangerous irresponsibility of the Labour Party, said that withdrawal from the EEC, if it could ever be undertaken, would be a bruising, damaging, debilitating exit.

The second day of deliberative discussion, again showed a large measure of agreement at every sensible point between party members and the collective leadership. In the debate on defence, where differences were expected to show, the few unilateralists to speak were gently applauded but heavily outnumbered. Louder applause greeted one speaker, a convert from the Campaign for Nuclear Disarmament, who said there was no place for unilateralism.

Mr David Steel, the Liberal leader, who during Dr Owen's speech, listened coyly but not ungraciously in the gallery of Perth City Hall, was given a hero's welcome which augured well for the planned alliance of the two parties. He also heard with approval a pledge that the Social Democrats would give high priority to a Scottish assembly if they and the Liberals ever formed a government.

Later, on the topic of a Scottish assembly, Mr Robert MacLennan, MP for Caithness and Sutherland and the SDP's constitutional expert, said it was the party's firm intention to establish such an assembly as soon as possible.

Mr Steel, speaking at a press conference in Perth, said that the Liberals and Social Democrats should try to form a governing alliance to carry through a five-year programme of economic and constitutional reform (Philip Webster writes).

He rejected suggestions that the alliance should last only until a Bill introducing proportional representation had been passed. The governing alliance should carry through a full five-year programme at the end of which the options of ending or continuing the alliance would be considered, he added.

Conference reports, page 4  
Leading article, page 13  
Frank Johnson, back page

## Playboy loses licences

By Marcel Berlins

London magistrates refused yesterday to renew the licences of two casinos belonging to the Playboy organization, the Playboy Club in Park Lane and the Clermont Club in Berkeley Square. The casinos will be forced to operate pending an appeal.

The five-licence justices for South Westminster decided that Playboy was not a "fit and proper person" to hold the licences. They found the premises of both clubs had been used for "unlawful purposes".

In addition, the justices found that the Playboy Club (though not the Clermont) had been used for "unlawful purposes". What those purposes were, was not specified.

The Metropolitan Police were awarded costs of £73,141 and the Gaming Board £14,575. Both had opposed the renewal of the licences.

Playboy's chief executive in Britain, Rear Admiral Sir John Treacher, said he was "disappointed" on a number of counts. We have a very strong team going and it leaves the staff very much in doubt about their future.

Sir John played down the effect of the justices' decision on Playboy's future international operations. "The organization is very soundly based and its long term future is not in doubt."

Other senior Playboy officials, however, were concerned that the group's casino operation in Atlantic City, New Jersey, United States, might be jeopardized.

During the hearing, allegations were made that the club had extended credit to regular customers, contrary to the Gaming Act, for instance by accepting cheques which the club knew would bounce.

Mr Victor Lowmes, who was ousted as the head of Playboy in Britain last April, was said to be very upset by the decision. The undoing of Playboy, page 12

## Disgrace for Russian who let £27m go to rust

From Michael Binyon  
Moscow, Oct 5

One of the most flagrant examples of waste and bureaucratic bungling in the Soviet economy has been revealed by the sacking of a Soviet Deputy Minister of Oil who knowingly allowed millions of roubles worth of imported chemicals and machinery for the vital oil industry to rust away.

In what looks like being one of the biggest economic scandals of the decade, a Soviet newspaper revealed over the weekend that Mr Elik Khalimov, who held the post since 1977, falsified statistics to cover up his negligence in failing to carry out a scheme to increase oil production. For the past five years his ministry invented figures to show that the Government's order was being carried out.

The deception came to light only when thousands of barrels of imported chemicals were found abandoned and rusting in railway sidings. Special equipment, much of it imported, was also left to rust, unpacked and undamaged.

Giving details of the scandal *Sovetskoye Khozyaystvo* said that losses in equipment alone amounted to 36m roubles (£27m), and 40,000 tonnes of chemicals had been wasted. The total economic loss to the country amounted to a huge sum and millions of tonnes of oil.

Hoping to cover up his deception while he put matters right, Mr Khalimov had tried to prevent anyone from related ministries and departments going to the site to investigate, the paper said.

Meanwhile, he spent much of his own time lecturing at the Moscow Institute of Oil and Gas Technology, and editing scientific articles. To avoid awkward questions over this, he came on the side, he broke party rules and accepted less than full fees.

The paper suggested Mr Khalimov might be prosecuted, and said a deputy minister responsible for the rational use of resources had also received a severe reprimand from the party over the affair.

Bureaucratic inefficiency is so widespread that it takes a serious scandal before anyone as senior as a deputy minister is sacked, and even ministers criticized by name by President Brezhnev have managed to keep their jobs. But at the last party congress in February the Russians launched a campaign to cut waste and husband energy resources, especially oil, and they have clearly decided to make an example of Mr Khalimov.

The paper said those people around him were also criticized for allowing the scandal to go on. It said it was clear that the Ministry of Oil Production had little control over its activities.

Foreign businessmen trading with the Soviet Union frequently find that delays and inefficiency hold up the installation on site of equipment bought by central ministries.

Without proper storage, delicate and expensive machinery is often left out in yards in the rain and snow, and then simply abandoned because it is unusable. Businessmen have reported seeing machinery they sold to the Russians still packed in the original shipment crates five years later.

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## Running costs of quangos top £1,500m, MP says

By George Clark, Political Correspondent  
The Equal Opportunities Commission was "neither more nor less than a publicly funded pressure group for a few militant workers' organisations", Mr Philip Holland, Conservative MP for Carlton, suggested yesterday.

Launching another campaign for tougher government action to reduce the number of quangos (quasi-autonomous non-governmental organisations), Mr Holland, known as the "Headhunter of the Commons", said the effectiveness of the Commission's first four years' work could be judged by its failure to advance the claim of women to equal pay.

In fact, its 1980 report showed that in the three years before it was set up women's earnings as a proportion of men's rose from 67 to 73 per cent. But between 1976 and 1979 they fell to 73 per cent, and they were still falling.

Mr Holland was also critical of some of the commission's projects. For example, there was in 1980 a payment of £5,581 to employ an administrator "to coordinate a campaign to restore Mrs Pankhurst, the suffragette leader's house in Chorlton-on-Medlock, Manchester", and to establish a centre for the study of the women's movement all over the world.

"What that does is create equal opportunities between the sexes I do not know", he said. He poured scorn on the proposal by the Scottish Convention of Women and Men in Media, that there should be a new quango "to act as a monitoring agency to combat the allegedly distorted images of women in the media". The commission had made a grant of £1,200 to a member of Women in Media to investigate the need for such a quango.

To provide detailed evidence that the appointment of quangos by successive governments has enabled the Executive to engineer a shift of power away from the control and scrutiny of Parlia-



Mr Philip Holland, MP, with a Solomon Islands statuette symbolizing his role as "headhunter". (Photographs by Malcolm Clark)

ment, Mr Holland has written a booklet, under the aegis of the Adam Smith Institute, entitled *The Governance of Quangos*.

It was published yesterday and a copy was at once sent to Mrs Margaret Thatcher, whom Mr Holland regards as an ally, though he thinks she has not been energetic enough in prodding departmental ministers to dismantle their quango empires.

It will be available to the Conservative rank and file attending the party conference in Blackpool next week. Mr Holland will also attend a fringe meeting on "a surfeit of quangos" organized by the Federation of Conservative Students.

"Out of a total of about 3,000 quangos, the present Government has abolished between 500 and 600, but about 60 new ones have been created", he told a Commons press conference.

The announcement of the death of a quango is not always what it seems. The abolition of one body provides

the opportunity to set up another with slightly different terms of reference, while in no way reducing the amount of patronage or the weight of bureaucracy.

The abolition of about 600 quangos, saving about £25m annually, with a reduction in the activities of others, saving a further £350m, a year, might be thought sufficient to satisfy even the most ardent "quango hunter".

But Mr Holland was not content. "There remain a further 2,400 official bodies whose administration costs alone exceed a well researched estimate of £1,500, annually", he said.

The Whitehall establishment stiffened its resistance each time a new citadel was stormed. "Ministers are fed beguiling reasons for retaining this, and creating that". Huge vested interests were at work maintaining the status quo.

*The Governance of Quangos* (Adam Smith Institute, Little Smith Street, London, SW1, £2.45).

## NUS plans sixth formers as members

By Diana Geddes, Education Correspondent

The National Union of Students is proposing to change its rules to allow the 260,000 pupils in sixth forms and sixth-form colleges to become full-time members.

The union's national executive will put a motion to that effect to the union conference in Blackpool in December. The union has more than 1,200,000 members.

A spokesman said yesterday that the increasingly arbitrary division between educational provision in further education and school sixth forms made the move a logical extension of its work. Any student in a further education college is eligible for union membership.

A full-time official had been appointed to look after the interests of students aged 16 to 19. One of the union's first tasks would be to press for greater parity and order in the chaotic system of grants for students in that age group.

A group of students who are dissatisfied with what they describe as the "undemocratic and extremist nature of the NUS" yesterday launched a non-political student organization, called the Independent Students Association.

Speaking at the association's launch in London, Mr Alex Warren, president of Dundee University students' association and chairman of the organization's national steering committee, claimed that the NUS no longer represented most of its members, and that it was more concerned with party politics than with students' interests.

Mr Warren is a member of the Social Democratic Party. Other members of the association's steering committee include Mr Roman Suplak, a member of the Federation of Conservative Students.

The NUS spokesman said that the union was not worried by the new association.

## NSPCC plea to Government

By Nicholas Timmins

The National Society for the Prevention of Cruelty to Children is to seek long-term government support for the first time in the face of huge deficits and a steep increase in child battering.

The society had a deficit last year of £828,000, has lost about £750,000 this year and faces a similar deficit in the coming year. Its reserves have dwindled from £3m to less than £1.5m, with part of this year's shortfall to be met, and without government support and increased public donations it faces cuts in its services.

The society's difficulties are partly self-inflicted because it has refused to reduce its activities at a time when spending cuts are forcing local authority social services to reduce their provision of out-of-hours cover.

Dr Alan Gilmour, director of the society, said yesterday that in some areas, for example, Kent, parts of the Midlands and in certain London boroughs, the society was the only agency providing a 24-hour service. "If the society were to withdraw its services there would be no one to take its place", he said.

That was particularly worrying in the face of a 40 per cent rise in the number of

cases of serious child abuse in the past two years.

In 1979 the society knew of 1,052 cases where children had been injured and it was suspected the injuries were non-accidental. In the year just ended that figure had risen by more than 400 to 1,486, and the number put as being at risk of physical injury had risen from 1,380 two years ago to 1,975 in the past year.

Even a 10 per cent cut would mean the loss of about twenty of the society's 249 inspectors, Dr Gilmour said, with 2,000 children left at increased risk. "The implications are grave. In a high proportion of cases it is the parents themselves who come to us for help before any serious injury is inflicted," he said.

"If the society were forced to cut back on its services it would not always be able to respond to these calls for help. With the number of serious cases sharply rising and other agencies already reducing their services, thousands of children depend on the NSPCC, and the NSPCC alone".

The society will be seeking at least £250,000 a year from the Government, which stepped in with ad hoc grants



Dr Gilmour: "no one to take NSPCC's place"

of £125,000 in 1978-79 and £100,000 last year. This year, however, there has been no direct aid. Dr Gilmour said he would be seeking "a substantial and regular grant" from the Government.

This year's £750,000 deficit came despite an appeal last October that raised an extra £300,000.

At a press conference the society's officers were reluctant to provide simple reasons for the apparent increase in child abuse.

## Cashing in on names is climbing's new game

From Roland Faux, Kingussie

The businesslike idea of a Lakeland rock climber has outraged the mountaineering fraternity and has been brought to the attention of the British Mountaineering Council, the governing body of the sport.

Mr Bill Birkett of Kendal, a climber who has discovered a number of new routes on Lake District crags, has approached several companies in the climbing equipment industry offering to name his climbs after their products for a fee. By tradition it is the right of the first person to climb a new route to name it.

Because climbers are becoming technically more proficient and better equipped, the number of new "lines" appearing on British crags is 200 a year. Competition is fierce among the most gifted groups. The pressure to think of new names has produced results that are at best bizarre and at worst incomprehensible or obscene.

Mr Birkett is unrepentant about his money-making scheme. He has already named one route after a new brand of boots. He said: "There are a lot of people making a lot of money from climbing in one way or another but the climbers themselves, the people who put in the effort, make nothing. That is why, after a lot of thought, I decided to go ahead".

Mr Birkett's entrepreneurialism has had a bleak reception among many of his fellow climbers.

Certainly, climbs carrying such names as *Sword of Damocles*, *Holy Ghost*, *Armageddon*, and *Gargoyle Direct* — a few of the established classics — have a more impressive ring to them than "Blogs's Book" or "Brand X Thermal Underwear" would have. Undeterred, Mr Birkett insists: "This idea does not deface the cliff. The name appears only in the guidebook

## Rate referendum attacked as threat to constitution

From Tim Jones, Cardiff

Government proposals to force local authorities to hold a referendum before they levy a supplementary rate were attacked yesterday as posing a serious constitutional challenge that could undermine representative democracy.

Professor John Stewart told delegates to a conference organized by the Council for the Principality and the Welsh Counties Committee that the proposed referendum would destroy the basis of local elections, since councillors are expected to carry out policies involving finance and expenditure.

Professor Stewart, director

of the Institute of Local Government Studies at Birmingham University, said the constitutional issues posed by the referendum were so critical that a conference should be called to discuss the threat it posed.

Any such referendum, he said, would be biased to give a "no" vote.

Professor Stewart said the effect of the proposal would be to strengthen centralized power at the cost of elected local government at a time when Britain was the most centralized power in Western Europe.

## 'MAN IN CUFF' LINKS CASE 'OWES £4m'

Mr Per Hegard, the Norwegian millionaire whose former wife was sued in the "company cuff links" case, left the country owing £4m, counsel told a High Court judge in London yesterday.

Mr Justice Vinelott in the Companies Court made compulsory winding-up orders against three Hegard companies, Seton Securities Ltd, Seton Trust Ltd and Amalgamated Industrials Ltd.

Seton Securities was owed £4.5m by subsidiaries and £1.5m by Mr Hegard. Seton Trust was owed more than £2m by Mr Hegard. Amalgamated Industrials was owed more than £5m by Seton Securities.

## Whitehall brief

### Thatcher to cut senior men

By Peter Hennessy

Mrs Margaret Thatcher has approved a plan to undo some of the effects of the explosion in senior Civil Service manpower that took place in the Wilson and Heath years. Her action comes after the completion of an unpublished report into the top three grades of permanent, deputy and under secretaries by Sir Geoffrey Wardale, former Second Permanent Secretary at the Department of the Environment.

Although it has been judged impossible to slim down Whitehall's so-called "open structure" (which since 1971 has embraced all posts of under secretary and above) to the complement of 550 its constituent grades filled in 1965, a cut of about 10 per cent has been authorized for the 822 senior men inherited by the Conservatives in May 1979. The chief result of the Wardale report will be a reduction in the ratio of deputy, and, especially under secretaries to permanent secretaries.

On the basis of figures supplied by the Civil Service Department, it seems that in 1965 for every permanent secretary there existed 2.5 deputy secretaries and 9.5 under secretaries. In the peak year of 1976, the ratio stood at 1:3.5:13.5, though it has since eased slightly to 1:3.5:13.

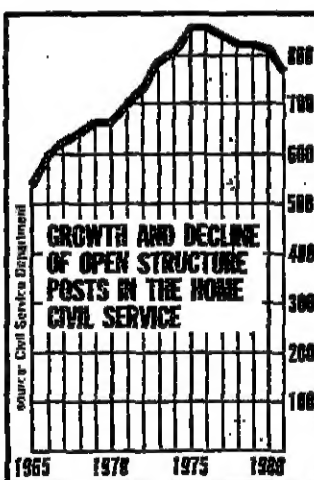
The Prime Minister's plan will be disclosed later this autumn when the Wardale report is released. The possibility of abolishing the under secretary grade altogether was considered, but eventually ruled out on the ground that a jump in the chain of command between assistant and deputy secretary would not be practicable in most departments.

Figures available from the CSD show that the boom years for the senior bureaucracy occurred under the Labour governments of Sir Harold Wilson, 1964-70 and 1974-76, and the Conservative administration of Mr Edward Heath between 1970 and 1974. Over the period 1965-76, the number of permanent secretaries increased by 18.9 per cent, deputy secretaries by 65 per cent and under secretaries by 84 per cent.

Successive manpower economy drives since the currency

## HOME CIVIL SERVICE OPEN STRUCTURE

Grade	Number (April 1, 1981)	Salary (Today)
"Super" Permanent Secretary	3	£35,845
Permanent Secretary	22	£33,170
Second Permanent Secretary	15	£30,495
Unified Intermediate Pay Point (Higher)	4	£28,355
Deputy Secretary	145	£26,215
Unified Intermediate Pay Point (Lower)	33	£22,110 (Under review)
Under Secretary	542	£21,935



crisis of 1976, particularly the single-minded attempt to slim down the central bureaucracy after the Conservatives returned to power in May 1979, have trimmed the number of permanent secretaries by 4.5 per cent, deputy secretaries by 4.6 per cent and under secretaries by 9.2 per cent. But the 1981 staff complements still represent a growth of 13.5 per cent, 57 per cent and 67 per cent respectively in the three top grades since 1965.

There are several explanations for the expansion. Both Wilson administrations and the Heath government after its U-turn, were interventionist in economic and social policy. The scope of central government waxed consistently from the mid 1960s to 1979, creating new bureaucratic jobs in its wake.

Whitehall also experienced a phenomenon known as "grade creep" whereby, in extreme cases, deputy secretaries would find themselves performing tasks undertaken by assistant secretaries in previous eras. Grade creep involved a good deal of

"second guessing" by officials who overlapped with the work of others in the hierarchy. At a time of increasing public spending, less attention was paid to the need for manpower control.

It could well be that grade creep was further developed as a mechanism for mitigating the consequences of incomes policies which were an almost constant feature of the Whitehall scene between 1965 and 1976. It is also possible that expansion was fuelled further by the creation of the Fulton report whereby a number of senior scientific and professional posts were amalgamated with top administrative jobs in the new grouping.

Prime ministerial action on the basis of the Wardale report will reflect the contemporary Conservative philosophy of a leaner, fitter, less interventionist government machine with clearer lines of responsibility, shorter chains of command and as little second guessing as possible.

By April 1 this year, the Thatcher administration had slimmed down the open structure from the 822 it inherited to 767. The latest figure supplied to the Commons Treasury and Civil Service Committee was 759, showing that the Government is well placed to achieve its target of an open structure of about 740 by April 1984.

Unlike previous economy drives, that launched by the present government has not spared top men. Of the 63 posts trimmed from the open structure between April 1979 and July 1981, 14 officials have been made redundant, 43 have retired prematurely either on the grounds of ill-health or limited efficiency, while six posts have been saved through natural wastage.

## High quality of Meissen porcelain boosts prices

By Geraldine Norman, Sale Room Correspondent

"I just did not dare to suggest that a teacaddy could fetch £10,000", Mr Hugo Morley-Fletcher, of Christie's, said yesterday after selling a Meissen porcelain teacaddy of about 1725 for £12,000 to the Antique Porcelain Company. It had carried an estimate of £5,000-£8,000 but Christie's were well aware of the exceptional quality of its Chinoiserie decoration. They were cautious about suggesting that bidders might pay much more for the "best" than for an ordinary example of the style.

The teacaddy belonged to a fine early service sent for sale by a Continental collector.

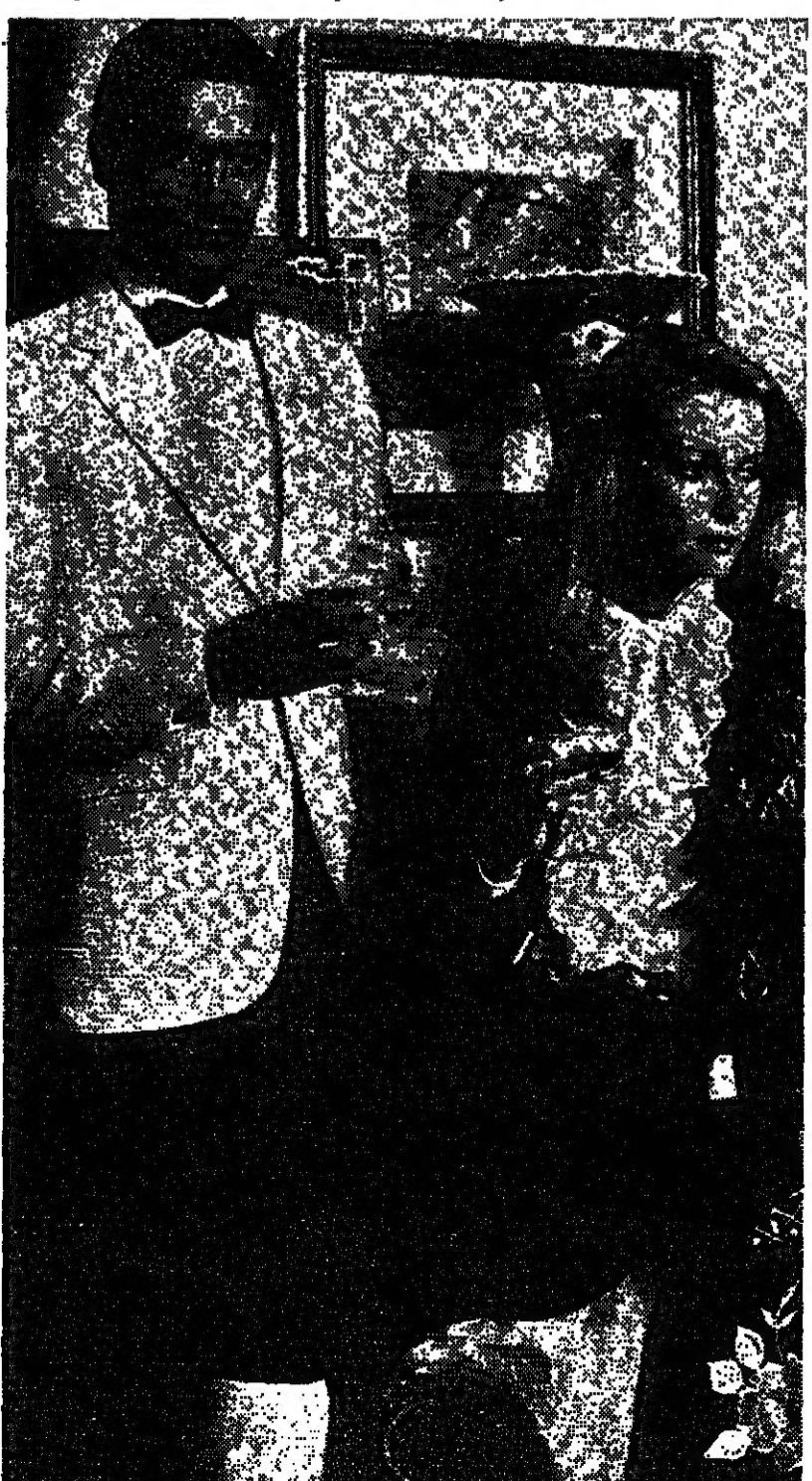
All the pieces ran beyond estimates. A large, globular teapot fetched £12,000 (estimate £4,500-£6,000), an oval sugar bowl and cover £7,500 (estimate £4,000-£5,000), a pair of teabowls and saucers £8,500 (estimate £4,000-£5,000) and a damaged hot-milk jug and cover £1,400 (estimate £1,200-£1,500).

As in last summer's sales, there was little demand for routine pieces, but Christie's were unusually well supplied with outstanding items from old collections.

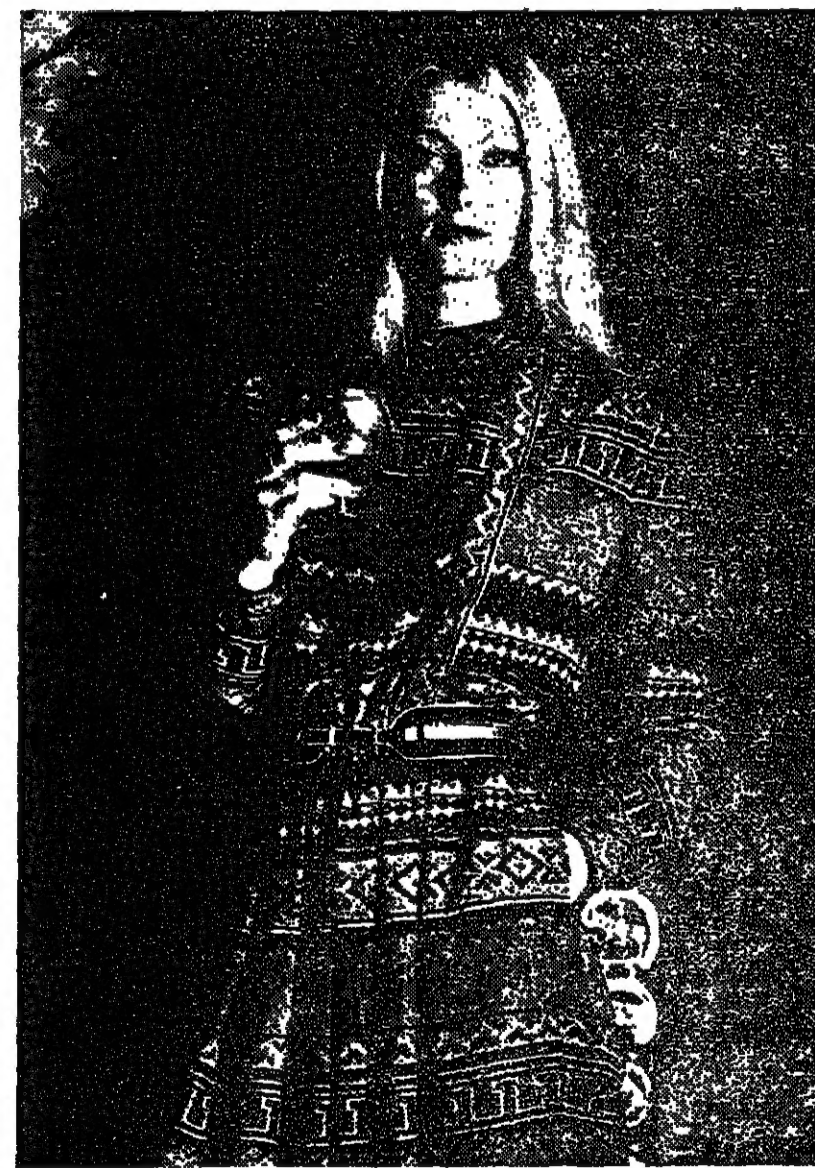
At Sotheby's a routine early season sale of icons proved unusually successful.

## Simpson style...

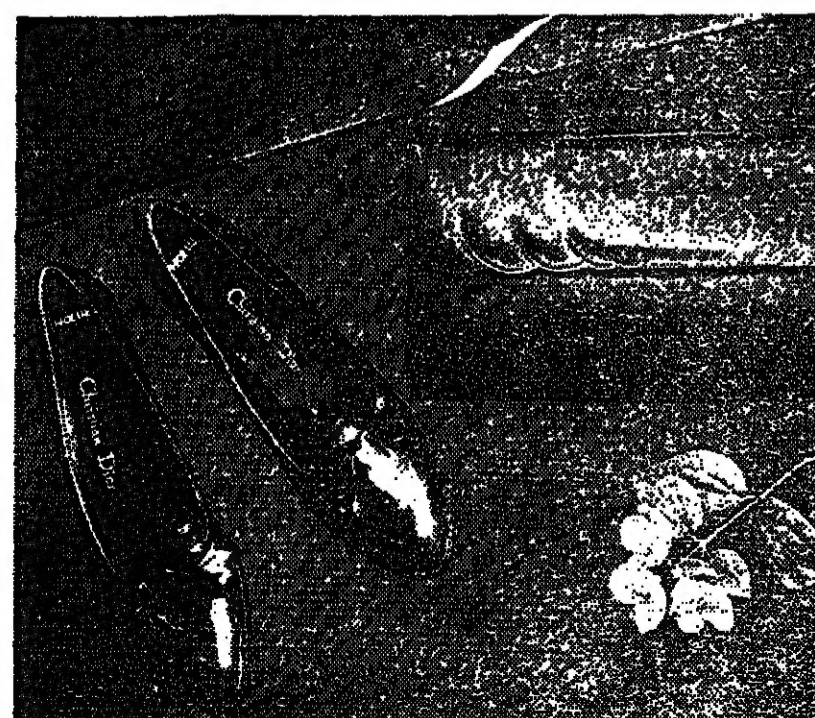
Style is difficult to define but easy to recognize. At Simpson, style is today's approach to life reflected in superb clothes from the liveliest designers — elegant clothes — fun clothes — action clothes — chosen in a relaxed atmosphere and cheerful, spacious surroundings. For formal or casual moments, for business or for the great outdoors, there's only one way to dress. Simpson — where style is always in fashion.



Her quilted jacket, 10-16 £95.00. Pastella shirt, 12-18 £42.00, both in 100% polyester. Velvet knickerbockers, navy or black, 100% cotton, 10-14 £39.00. His Jacobson tuxedo, white or navy, 100% silk £145.00. Dress trousers, in wool/mohair £50.00.



Roger Mahr dress, 8-14 £219.00, from the Designer Collections on the 4th floor.



Shoes £55.00, handbag £62.50, belt £27.00, designed by Christian Dior for Charles Jourdan.

## OFFICER DISMISSED

Lieutenant-Commander Charles Hattersley, hero of a Services trek across the Himalayas, could hardly stand after his captain's farewell party on the submarine *Opportunity* on September 1, a court martial board was told yesterday. Lieutenant-Commander Hattersley, aged 32, admitted being drunk Devonport dockyard and was dismissed his ship.

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01-704 2002





## SDP conference/Perth

## Rodgers sees three big targets in a new industrial revolution

Reports from John Winder, Bernard Withers, Geoffrey Browning, Sara Bonner

A Social Democrat and Liberal government should go ahead with three main projects which would help unemployment and give back morale to the sorely pressed and deeply depressed private and public sectors Mr William Rodgers, MP for Teesside, Stockton, said in opening a debate on industrial affairs. The projects would be the gas-gathering pipeline, full electrification of the mainline rail system and the Channel tunnel.

"There is a case for a massive partnership between the public and private sector which will demonstrate what Britain can do today in a new industrial revolution," he said. There had to be a genuine partnership between government and industry.

When the party was launched last March it made a plain statement that it supported a mixed economy. The strange thing was that the statement from a political party made news.

Unemployment in Britain was now almost three million, and rising. Inflation had reached 11.5 per cent and the indications were that it would rise. Industrial production had fallen by 17 per cent since May 1979. Small companies were being destroyed every day.

"There is a desperate need to talk about the case for a genuine partnership between government and industry," Mr Rodgers said.

At Brighton last week any delegate who went to the rostrum with the same message referring to the public sector, saying that profitable public assets would not be hived off, would be treated with a little more courtesy but would be told quite precisely the same thing as he was out of time with the time.

"Industry for many years has been the victim of seaside politics. It has become an ideological battleground and three million people are the victims," Mr Rodgers said.

The Conservative Party believed in the primacy of monetary policy, in the rigidity of cash limit and in cutting public expenditure irrespective of whether it was cost effective. The country did not want a Labour Party which believed in nationalisation or the present government with all the damage it had done to Britain.

There had been a Labour Party which believed in nationalisation on merit and not for doctrinaire reasons. There had been the Conservative Party of Harold Macmillan, Ian MacLeod and Edward Boyle, which was a very different party from the one of Mrs Margaret Thatcher, Sir Keith Joseph and Sir Geoffrey Howe.

"That is one reason why many people who once voted Conservative are going to vote social democrat at the next general election."

No government could commit itself to open-ended public expenditure. The SDP was desperately concerned that public money was not only spent, but well spent.

For over twenty years this country had had a dismal record of industrial decline, especially in manufacturing. On the whole Britain had done worse than her main competi-

tors and countries very much like her.

The black spots where Britain had fallen badly behind must be recognised. Those black spots were vehicles, steel and some parts of heavy industry. Among those black spots as well were quality and reliability, industrial relations and the challenge of new technology.

"Those are areas of agreement that define our terms of reference," Mr Rodgers said. The role of government in industry should not be exaggerated. There was no evidence that ministers and civil servants were better equipped to make day-to-day industrial decisions than managers and skilled men. On balance, industry needed less intervention, not more. Care should be taken when looking at what had been called the lame duck industry.

"Let us be cautious about believing that every lame duck must live. Let us look carefully at the criteria and decide firmly whether the unemployment consideration requires intervention and whether intervention is required by technology and prospects ahead."

"I take for granted that there will be a role for incomes policy, flexible and meant to last. There will be a role for industrial democracy within a legislative framework but with scope for voluntary agreement. Both sides of industry are blinkered if they fail to see and refuse seriously to consider what makes the best sense in the two areas of incomes policy and industrial democracy."

"The role of government is to seek to create a climate of success but what should be the role for public money in the private sector? How should we ensure that the Government plays a responsible but non-interfering role in industry?"

The SDP should do three main things: It should support for enterprise and risk-taking, especially in small

businesses; it should support research and development and innovation and it should as a government be prepared to back the winners in key areas of new technology.

The party should draw on the success stories of such government agencies as the Highlands and Development Board, Scottish Development Agency and the National Enterprise Board.

"There should be a four-point plan. There should be a revival of a regional policy, but we do not need to go back to the formulas of 1949. There must be new initiatives in the field of regional policy aimed at developing the consistent and stable policies which will succeed from one parliament to another."

Second, there must be an important role for the National Enterprise Board in picking winners. The NEB should report priority areas for growth, those with a prospect of being profitable and those with a prospect of contributing to Britain's future strength.

Third, there should be new financial institutions to channel funds to small businesses.

Fourth, the party must look beyond the horizons that were familiar and look at new and original forms of industrial organisations.

"I see no reason," Mr

Rodgers said, "why, if the criteria are right and we are seeking to produce to meet public needs, we should not back cooperatives of one kind or another or community enterprise."

"We shall produce hard-headed, practical policies drawing directly from the experience of those who have made their lives in industry and in due course we shall build a genuine and unique partnership between government and industry."

Mr James Johnstone of Edinburgh said that there was a danger in some of the party's recent comments and speeches that the SDP would fall into the trap of becoming identified in the minds of the mass of working people as a Boy Scout alternative to the Labour Party or a smoked salmon pink version of the Conservative Party. He did not want the party to be either of those (applause).

The SDP had to show that it was not only an alternative governing party to the Labour Party but that it was better prepared to get rid of Mrs Thatcher than was the Labour Party.

Mrs Liz Berry, Strathclyde, said that universities should establish close links with industry but in the recent past it had been the technological universities which had been thoroughly "mugged".

The Government had singled out for virtual annihilation every university which had contributed most to British industry. She suggested that instead of the Byzantine quango of the University Grants Committee there should be a grass-roots body for the technological universities with at least 50 per cent of industrialists on it.

Mr Kenneth McDonald, Glasgow, said that there should be investment incentives on a massive scale but they should be restricted to make sure that such grants were not lost in speculative office buildings in South-East England.

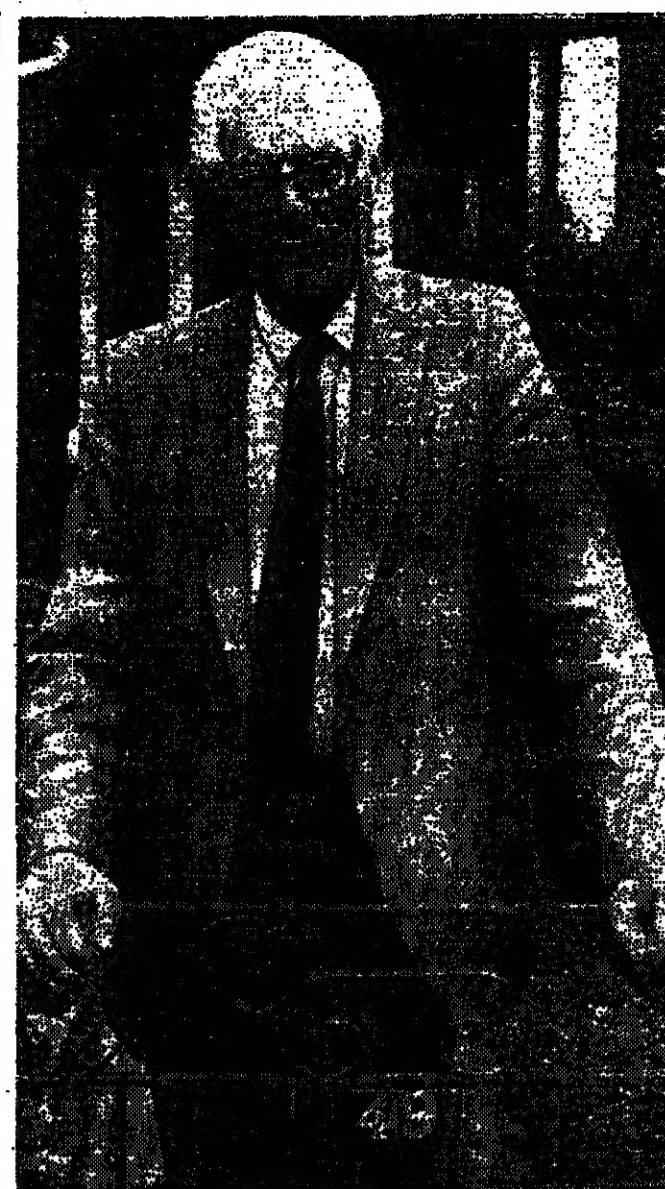
Mr Jeremy Connel, Edinburgh, said there had to be specific and unequivocal moves on increased employee participation. Workers should have more say at all levels in their companies because their contribution was as important as the shareholders' investment.

Mr David Sainsbury, member of the national steering committee, said in replying to the debate that there was a useful and important role for government intervention to help the market to work better. But that should be measured not by its scope or extent but by its quality and effectiveness.

There was no policy which would suddenly transform industrial performance because the difficulties were too deep-seated. If industry was to survive there had to be changes in apprenticeship systems, the training of engineers, in industrial relations and in the tax treatment of savings invested in industry.

There would be no slowing down in the rate of technological change or the speed with which world markets were changing. The structure of British industry would have to be changed on a massive scale to sell British goods and that meant the country could not afford to prop up labour intensive industries that could not compete. Huge resources would have to be invested in the new knowledge-intensive industries.

"I see no reason," Mr



The latest defector: Mr. Bob Mitchell, MP

## The defectors

## Cheers for recruit to a growing queue

Mr Bob Mitchell yesterday became the latest Labour MP to leave his party and join the Social Democrats — and there could be more to follow. Last night Mr Tom McNally, MP for Stirling, South, and former Labour MP, announced that he was leaving the Labour Party to join the SDP.

Mr McNally said he was leaving the Labour Party because he was not in agreement with the party's policy on nuclear disarmament. He said he was joining the SDP because he believed in a mixed economy and a strong industrial base.

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Labour MP, Mr William Hannan, who was introduced as one of the party's latest recruits, Mr Hannan, who was MP for Glasgow Maryhill, from 1945-74, said if he had any doubts about his actions he had only to recall the terrible scenes of disunity and of personal attack between comrades at the Labour Party conference.

Mr Hannan said he had no illusions about the personal attacks that would come, and about the charges of betrayal. The question was: who was betraying whom? He had found in the atmosphere of this conference something of the atmosphere of the early days of the Labour Party when they had tried to serve their ideals.

"If the problems are discussed in a rational fashion, in reasonable language, then there is going to be a greater hope for the future."

There was loud applause for the announcement that Mr Robert Mitchell, MP for Southampton, had just joined the party. Making the announcement, Mr Mike Thomas, MP for Newcastle-upon-Tyne, East, said that the most impressive thing about the party's debates yesterday in conference was the contrast between the conference of the old parties. At Brighton there had been blood letting, and next week in Blackpool there would be the iron hand in the flowered hat. In contrast there had been tolerance, open-mindedness and freedom.

The defection to the SDP of two Labour councillors from the London borough of Enfield was also announced. The Rev Alan Rogers, an Anglican clergyman, and Mr Len Carter, a clothing manufacturer, will be the first two SDP councillors in the borough. Mr Stephen Osborne, agent for the Enfield area party, said that there were about half a dozen other Labour councillors "waiting in the wings" and likely to join the new party in the next few months. The SDP, which has three hundred and fifty members in the borough, is concentrating particularly on the marginal parliamentary constituency of Enfield, North, which it has hopes of taking from the Tories in the next election.

The conference also gave a standing ovation to a former

possible to those who were affected by them.

That view was permeating not only the SDP's approach to its own affairs but its firm commitment that it must have as its primary aim the decentralisation of government.

The SDP's fundamental commitment was to the principles expressed in the party's constitution for the creation of an open, classless and more equal society. One of the greatest inequalities today was between the different geographical parts.

That inequality stemmed from the decline of the traditional industries in the old urban areas such as shipbuilding and steel. Those scarifying changes had not been made good by the introduction of new industries in developing parts of the country.

The party would not achieve a more open, classless and more equal society until it had rooted out that industrial imbalance. People in Scotland were particularly conscious of the need for a change. All over Scotland industries were closing, damaging the fabric of society and undermining the prospects for people beginning their working lives.

The SDP commitment to decentralization was among its most important policy priorities. Its case rested firmly on the belief that government decisions should be taken as closely as

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## Foreign affairs

## Owen promises tough fight for a secure Britain

The Social Democratic Party was determined to uphold and safeguard the security of Britain and the free world, Dr David Owen, one of the joint leaders of the party, said when he opened a debate on foreign affairs.

He also said that withdrawal from the EEC would prevent Britain's economic recovery, and that neutralism and unilateralism leading to the weakening of Nato would threaten Britain's security.

The Labour Party believed that the policies of withdrawal and unilateralism were popular, and there would be some people even in the SDP, who would argue they should bend policies to fit that public mood.

For Social Democrats to back off from those issues and mislead the country would be disastrous, because it would deny the party's founding principles and destroy its election appeal.

Britain would be experiencing an economic and industrial decline by the next election, so the electorate would want a new government to be demonstrably tough-minded, hard-headed and resolute. It would not want a party of fudge and muddle, but neither would it want a muck and slush party.

"We are not a party of the soft centre. We must be one that is prepared to challenge public opinion, to persuade it, and win it round by the force of their commitment," he said.

Withdrawal from Europe would be a bruising, damaging and debilitating exit. The other member states would concede nothing to Britain that was not in their own interest and would feel that Britain had broken their trust.

Britain would find it far harder to sell the 59 per cent of its exports which now went to the market of the EEC and to recall the terrible scenes of disunity and of personal attack between comrades at the Labour Party conference.

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As part of that overall negotiation, the SDP would urge a withdrawal of battlefield nuclear weapons because it was that strategy which was the danger. It could trigger a worldwide nuclear exchange, and that was why the party did not want to see the neutron bomb deployed, because it did not lower the nuclear threshold.

The SDP was deeply committed to arms control and disarmament, but it must try to force a higher priority from all governments to reduce nuclear arms.

Dr Philip Ashmole, Borders, said the SDP/Liberal government of 1984 should lead the world into a programme of reciprocal nuclear disarmament, based on the gradual extension of nuclear free zones. Britain, because of the leverage it could exert on the United States and EEC countries, was in a unique position to start step-wise reduction of battlefield and theatre nuclear weapons in Europe.

Mrs Lesley Stanning, Lanarkshire, said the SDP and Liberal should set up a programme to encourage development and prosperity in the third world.

Mr Keith Kyle, Central Region, said the SDP was party with a heart, but did not let it rule the head. It must work for real, wide-wide disarmament with real peace. So long as Britain's institutions and democracy were threatened, they must be defended.

Lord Kennet said there were grounds for hope that economic factors might force countries into nuclear disarmament. The alliance should go bull-headed, without any deviation, for a multilateral disarmament government. There should be a Nato proposal to that end.

Mr Colin Deans, Grampian, said Britain could not afford in the short term to commit itself to Trident. "I am asking for leadership to work, work for peace, for God's sake," he said.

Mr Clive Lindley said that if Britain went unilateral, the United States' allies would make the simple deduction that Britain had gone soft on liberty.

The policy of unilateralism was absurd and not worthy of consideration by a serious modern political party.

Mr Keith Kyle, Central Region, said that last week at the Labour conference yesterday's men had decided to try to reverse the tides of history and reestablish the frontiers round Britain's national state within a referendum. The reason they had given was that the next election would constitute a referendum on the EEC.

Mr Kyle said, and it appears that it will be, is logically and morally impossible for any supporter of the European Community to remain a member of the Labour Party (Applause).

Mr Christopher Brocklebank-Fowler, MP for North Norfolk, West, replying to the debate, said the Third World countries were profitable customers in terms of Britain's balance of payments. They had been an important source of raw materials and had historical ties with Britain.

The Third World had a big role to play in bringing the world out of the deepest slump since the 1930s. The Opec countries had huge surpluses of cash and the industrialised countries had surplus capacity. With investment in the Third World, countries there would be a real chance for British firms.

SDP policies must reflect the new interdependence of the world and they must move away from protectionism to encourage free trade. It was a disgrace that the Prime Minister was not playing a leading role in international negotiations leading to the Mexico summit.

The first controversy yesterday concerned the sounds of high optimism emanating from the Tory camp. After Mr Butterfill spoke of the best start in memory to an election campaign in the constituency, Mr Andrew Young, his agent, caused some confusion among his colleagues by apparently off-the-cuff remarks about private voting research.

That Mr Young was reported as saying, indicated 60 per cent voting Conservative, with Mr Pitt picking up "something under 10 per cent."

Mr Peter Chegwyn, Mr Pitt's agent, immediately described the claims as "so unrealistic as to be ludicrous" and pointed out that they were far removed from yesterday's Market and Opinion Research International (MORI) poll in the Daily Star, which showed the alliance running neck and neck with Labour, the latter having crept fractionally ahead.

The poll put Labour support at 36 per cent, with the alliance 34 and Conservatives 29, but an analysis of those describing themselves as certain to vote—half the sample—gives the alliance a four-point lead over Labour, 37 per cent to 33 per cent, something not mentioned in the Daily Star report.

According to the Liberals, the alliance locally is firmly cemented.

Mr Mike Thomas, MP for Newcastle-upon-Tyne, East, said in winding up the debate that there was a need to regenerate interest in local government and local democracy. The party had to ensure that what was proposed was practical and would not simply add more bureaucracy.

Today: Unemployment (Shirley Williams); housing. Tomorrow: Industrial relations (William Rodgers); regional policy.

## Croydon NW

## Harsh barbs for the alliance

By David Nicholson-Lord

The first formal by-election test of the Liberal-Social Democratic alliance got under way in Croydon North West yesterday with both Conservative and Labour candidates aiming their harshest barbs at the alliance man, Mr William Pitt.

At press conferences to launch the campaign, Mr John Butterfill, the Conservative prospective candidate, described the alliance's chances of success as "negligible" and labelled Mr Pitt, who has contested the seat several times as an unalloyed Liberal, as "a seven-times loser facing his eighth defeat."

Mr Stanley Boden, the history teacher who has been the Labour runner-up in the constituency in the last four general elections and who is now running under the slogan "Stan's Your Man", accused Mr Pitt of pushing the same "irrelevant parish-pump programme" despite his change of ticket.

In reply the Liberals brought in Mr Jo Grimond, the apostle and latterly statesman of realignment, who said the emergence of the alliance was the best thing to happen in British politics for 50 years. Within three years, Mr Grimond added, it would either be forming a government or holding the balance of power.

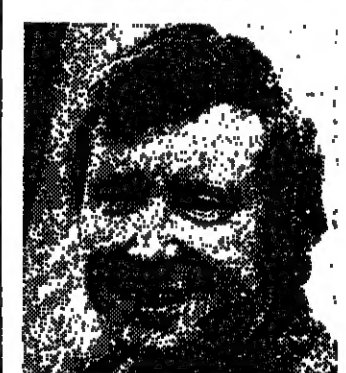
Folling in the by-election, caused by the death of Mr Robert Taylor, the sitting Conservative, is on October 22, with



William Pitt



John Butterfill



Stanley Boden

nomination closing on Thursday. By then the constituency, despite its unprepossessing suburban blandness, will be assured of a place in history.

That is because Mr Pitt's ballot papers will be the first since the formation of the SDP to include the word "alliance", although the rest of the wording has yet to be decided. At Warrington in July Mr Roy Jenkins was merely "SDP with Liberal support."

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That Mr Young was reported as saying, indicated 60 per cent voting Conservative, with Mr Pitt picking up "something under 10 per cent."

Mr Peter Chegwyn, Mr Pitt's agent, immediately described the claims as "so unrealistic as to be ludicrous" and pointed out that they were far removed from yesterday's Market and Opinion Research International (MORI) poll in the Daily Star, which showed the alliance running neck and neck with Labour, the latter having crept fractionally ahead.

The poll put Labour support at 36 per cent, with the alliance 34 and Conservatives 29, but an analysis of those describing themselves as certain to vote—half the sample—gives the alliance a four-point lead over Labour, 37 per cent to 33 per cent, something not mentioned in the Daily Star report.

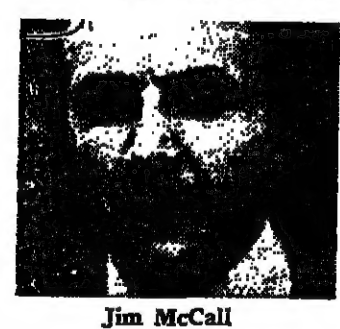
According to the Liberals, the alliance locally is firmly cemented.

Mr Mike Thomas, MP for Newcastle-upon-Tyne, East, said in winding up the debate that there was a need to regenerate interest in local government and local democracy. The party had to ensure that what was proposed was practical and would not simply add more bureaucracy.

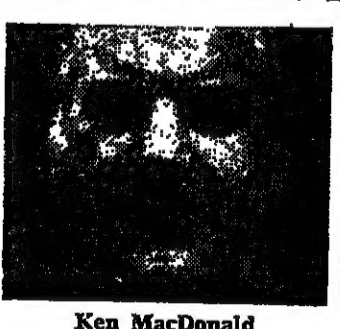
Today: Unemployment (Shirley Williams); housing. Tomorrow: Industrial relations (William Rodgers); regional policy.

## Making of a party

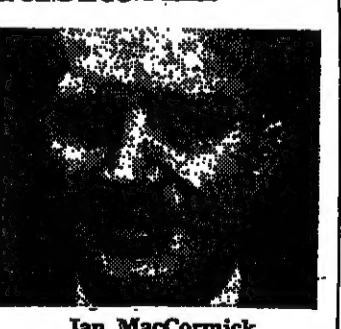
## Disillusion into enthusiasm



Jim McCall



Ken MacDonald



Ian MacCormick

Many of the 700 delegates who crowded into Perth City Hall for the first of the SDP's rolling conference were actively working for other political parties only months ago and some of them have never voted in their lives.

They have been brought together by a common disillusionment either with the parties they once served or the traditional two-party political system and now share a contagious enthusiasm for the future.

Of the Perth delegates about 10 per cent were Scottish. Many of the rest, who come from all over Britain, have taken holidays and are following the show as it heads south to Bradford and London. A random sample gave the following comments.

MR IAIN MACCORMICK, Scottish National Party MP for Argyll from 1974 to 1979, now the SDP's Scottish press officer. Predicts more defections from the SNP, of which his father, John, was a founder member. He thinks the Social Democrats offer the best hope of arriving at the "sensible workable system of devolution" for which his family have striven, as the SNP has been taken over by a group of left wing fanatics and is set on establishing a Scottish

socialist republic and encouraging civil disobedience to achieve its ends.

MRS ELLEN SULLIVAN, former Labour member of Cumbria's Town Council and candidate at East Renfrewshire in the 1979 general election. Comes from a Glasgow working class background and is a mother of three. Now an SDP activist speaking from public platforms as "the Labour Party is going to destroy itself and I have no wish to be part of that destruction."

MR JOHN BRADY and his son Scott, both former Labour Party activists and on the general management committee of Dundee West Labour Party. Joined the SDP the day it was formed and stewards at the conference. Concerned at the infiltration by extreme left-wing elements of the Labour Party they see the SDP "as leading the way forward to reconciliation."

MR KIRBY ROBINSON was treasurer of Newcastle East Labour Party. Joined the SDP when his MP Mr Mike Thomas moved over. Now rainvigorated by politics "people want to talk and share ideas with us. It is a stimulating experience."

MR JIM MCCALL, aged 33, Tory voter and campaigner.

Now vice-chairman of the West of Scotland SDP, having joined the first day because of increasing disillusionment of the seeming lack of humanity in the Conservative Party and desertion of the principles of One Nation. Has had to lay off workers at his publishing company.

"The drift to extremism in the Tory Party has become too great. I object to the fundamentalist dogmatic approach that Mrs Thatcher



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# Warship sale to Chile provokes protest by Labour

By Henry Stanhope, Defence Correspondent

The Government is steering into a political storm by deciding to sell a naval destroyer and a fleet tanker to the right-wing regime in Chile.

The sale, which was agreed in a letter of understanding last week, is the first to result from the recent defence review, which ordered a curtailment of the Royal Navy's surface fleet.

The ships are the 6,200-ton destroyer, Norfolk, and the Royal Fleet auxiliary oiler Tidespool. They are to be delivered to Chile by early next year.

The Norfolk, completed 11 years ago, was the first warship in which the Prince of Wales served after his shore training at Dartmouth. Its weapons include Sea Slug and the Sea Cat anti-aircraft missiles, Exocet anti-ship missiles, two 4.5-in guns and a Wessex helicopter.

The Tidespool is a 27,400-ton fleet tanker, built 18 years ago, with a hangar big enough to accommodate up to four helicopters. Chile has two Leander class frigates in its navy, and two Oberon class submarines, delivery of which caused political controversy several years ago.

Britain traditionally takes a pragmatic attitude towards arms sales, judging each on its merits and proceeding only after the Foreign Office has been consulted.

Whitehall sources say human rights issues were taken into account before it was decided to go ahead with the sale in the face of allegations that political prisoners in Chilean jails were being tortured.

But a destroyer and a

supply vessel were considered as hardly the kind of weapons that could be used by an oppressive government in a counter-insurgency role.

HMS Norfolk is among the last of the County class destroyers, sometimes regarded as tantamount to small cruisers. Her crew of 485 men however makes a heavy demand on manpower in these days of straitened economies.

Other British vessels that are up for sale include one of the Invincible class of aircraft carriers, probably Invincible itself, which is equipped with Sea King helicopters and Sea Harrier vertical take-off aircraft.

The Australian Navy heads the list of fleets interested in acquiring the Invincible at a cost of about £175m, which is what it cost the Navy to build and equip the vessel. A number of officers believe that by offering the ship that price the Government is underestimating its own interests.

Sources yesterday declined to estimate the price the Chileans are paying for the Norfolk and the Tidespool. But a new destroyer of the size and capabilities of Norfolk would certainly cost more than £100m at today's prices.

Mr Brynmor John, chief opposition spokesman on defence, said last night that the proposed deal with Chile was "monstrous and totally unacceptable" (Richard Evans writes).

Chile has one of the most reactionary and cruel governments in the world, he said. This is salesmanship without morality and it is bound to lower the standing of Britain in the world," he said.

## Goodman gets apology and damages for libel

Lord Goodman, the solicitor, today accepted "substantial damages" in settlement of a High Court libel action against the satirical magazine, Private Eye, over a suggestion that he was a homosexual and for another equally false allegation.

Lord Rawlinson, Council for Lord Goodman, said the editor, Mr Richard Ingram, and publishers, Pressdram Ltd, now recognized "the iniquity" of what they did.

In the issue of Private Eye for January 18, 1980, Lord Rawlinson said the defendants made two references to Lord Goodman (who is Master of University College, Oxford). The first was in an article about a fellow of University College who was also one of the college officials. The article made a number of extremely serious allegations about that gentleman and about his conduct as an official of the college, and then went on to suggest that Lord Goodman had recommended him to the Queen for a post at Windsor in order to get rid of him.

In a later issue of Private Eye the defendants admitted that the publication of that article had been a disastrous mistake and they acknowledged that the allegations they had made against the gentleman concerned were "scandalous, vicious and totally false". They now recognized "the same was true of what they said about Lord Goodman."

The second reference to Lord Goodman was in the "Gossip" column of the magazine, where it was alleged that Lord Goodman "haunted" an hotel in north Oxford with young under-age friends. That was a plain suggestion that Lord Goodman was a homosexual. Again, both the story and its accusation of libel were completely and utterly false.

Lord Goodman has over the years been one of Private Eye's favourite targets and he has patiently endured a stream of

personal abuse in its columns. The allegations complained of in this action, however, were so outrageous that the defendants felt compelled to act upon them. Accordingly, with consideration and with a view to bringing these proceedings to an end, they have agreed to pay him a substantial sum in damages (which he will donate to charity) and costs. In a letter of apology, Lord Goodman is content to let the matter rest.

Mr Desmond Browne, for the defendants, said: "On behalf of both defendants I confirm everything that my learned friend has said. The allegations the defendants made against made against Lord Goodman were not only completely false but were made without any shred of evidence to support them."

The defendants acknowledge without reservation that their conduct was inexcusably irresponsible and that wholeheartedly apologize to Lord Goodman for what they did. Through me, they express the sincere hope that the terms to which they have agreed and which my learned friend has recited to your Lordship will, as far as possible, make amends to Lord Goodman.

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## Five nurses face 25 charges

Four nurses and a former nurse from Rampton special hospital appeared before magistrates at Mansfield Nottinghamshire, yesterday on charges of assaulting, beating and ill-treating patients.

Mr Roger Maitland, for the Director of Public Prosecutions, asked the magistrates to commit the five men to Nottingham Crown Court for trial. Barristers representing the accused claim that there is no case to answer.

The five men, who together are charged with 25 offences alleged to have been committed between 1977 and 1979, are Anthony Blackburn, aged 22, a former student nurse, Robert Bogshaw, aged 29, a state-enrolled nurse, Alan Starkey, aged 26, a staff nurse, and Cyril Brown, aged 47, and Brian Holmes, aged 44, both charge nurses. All gave their addresses as Rampton hospital.

Another case against four other Rampton nurses was adjourned until next Thursday, when committal proceedings are expected to begin. The nine men between them face a total of 40 charges.

## GENERAL'S WINES 'IN HORSEBOX'

Vintage wines and port belonging to Major-General Henry Salusbury Leigh Dalzell Payne, former GOC 3 Armoured Division BAOR, were smuggled into Britain, Maidstone Crown Court was told yesterday.

Thirty-five cases, valued at more than £2,000, had been hidden in an army horsebox which arrived at Dover from Germany, it was alleged.

Some were for the general's consumption at the Cavalry Club and others were to be sold at Sotheby's, Miss Nikki Saville, for the prosecution, said.

In the dock was Staff-Sergeant Brian Proctor, aged 49, the general's house sergeant, who has denied he was knowingly concerned in a fraudulent attempt at evasion of duty on 35 cases of vintage wine and port, contrary to the Customs and Excise Management Act, 1979.

Miss Saville said Sergeant Proctor, of the Blues and Royals, accompanied the general's wines and port in the horse box, which arrived at Dover on March 17, 1980.

Mr Alistair Buckle, a customs officer, said that when he asked Sergeant Proctor why he had not declared the drink, he said: "I cannot tell you that. All right, I made a mistake. I do not know what made me do that. I was just being clever."

Mr Buckle said that after he had opened some of the boxes Sergeant Proctor produced a blank cheque made out to the Customs and Excise, dated the previous day and signed by the general.

The trial continues today.

There are rival diagnoses of the condition of Britain's youth. To some they are violent, offensively dressed, uncouth, insubordinate, hedonistic and profane, a lost generation. Others see much idealism in them — helping the old, working for charity, singing "Land of Hope and Glory" at the last night of the Proms. Yet there is one sense in which they represent incontrovertibly a "lost" generation: only one in two can find a real job.

Until the summer of '81 both sides would have agreed that youngsters seemed to be tolerating this level of idleness satisfactorily, with either pleasure or stoicism. The riots put paid to that. They hardened attitudes to the young among adults. They also released a new flood of theories about what the young think, and why they do what they do.

The Times therefore set out to investigate young people's attitudes, not only to

work or the lack of it, but also to their parents, their country and their education, and to violence, race, religion, politics, and the future.

It also commissioned an independent opinion poll which put to nearly 600 young people, chosen to form a fair cross-section of their generation, questions that were in part formulated by preliminary discussions with the youngsters themselves. A North-South approach — in Newcastle

upon Tyne and Croydon — was adopted to find out what difference northern experience and south-eastern experience of high unemployment made to social attitudes. Some key questions were put to a national sample of the same age group as a check. Comparisons were also made with findings from a youth survey two years ago and from an opinion poll of the whole adult population.

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Meeting of the generations, Cragg Park shopping centre, Newcastle upon Tyne.

## A generation on the losing end —and lost for words

This generation of 15-24-year-olds is distinctly and alarmingly pessimistic. They are rebellious, but not in the accustomed way — that in which challenging and questioning the established order at least maintains contact with it, however combative.

The new rebelliousness has a negative cast that frightens many older people. Much of it is clearly intended to do so, or at least to deter, so that they too turn their backs. A rejection in answer to rejection. In form the rebelliousness may be satirical, or musical, or incoherently verbal, whether via graffiti or underground magazines.

What alarms many adults most is, of course, the casual violence. In western-European terms at least, it is peculiarly British. It is British football fans who stab Swiss knives after a match, who loot German supermarkets and terrorize Spanish cities. Hoodlums sully the reputation of British football and of Britain itself in a way unknown to comparable countries.

Crime, especially violent crime, is growing exponentially among British youth, much of it associated with drunkenness. Vandalism, or violence against the inanimate, usually public utilities, has become an epidemic.

It is a young person's offence. It is often overlooked that so much of youthful violence in Britain is aimed at other young people. If you are young you can be attacked simply because your assailant does not like the cut of your hair. Instead of, or as well as, Teddy-boys or Mods and Rockers we have skinheads and punks and neo-romantics and soul-people and Rastafarians.

Each of these so-called subcultures can be seen as catering for the dominant element in the personality of its adherents. Thus skinheads are aggressive and authoritarian; good material for fascism; punks, who are not necessarily violent, turn their backs on society, and dress not to kill but to repel. Neo-romantics are dreamy and inclined to escapism; the new Teds are narcissistic. By their clothes and haircuts shall ye know them.

Crucial to all of this is education, of which young people are highly critical. As this will be shown in these articles, only one aspect need be dealt with here — the standard in English attained by the great majority of the young. Language is, after all, the tool they must use to communicate with the largely indifferent adult world they are entering from the sheltered environment of home and school.

To those who know it well, English offers unique riches in flexibility of idiom and vocabulary. All this appears to have been concealed from the average British youngster. It has been painfully depressing to listen to so many young people trying vainly to express a deeply felt view. Often it was simpler to divine an attitude from the degree of agitation or agitation shown.

They did not say much that lent itself to quotation. Are we to put all this down to a failure to pay attention during English lessons?

One would now have to be rarely fastidious to be upset by the profanities with which so many British conversations are interlarded. This kind of linguistic violence is a substitute for clear thought clearly expressed. We turn out an unduly high proportion of linguistic cripples. They have learnt it from their elders, who perhaps should not be so surprised that a youth who can neither find a job nor the words to help him get one may feel driven to kick parked cars or even policemen.

Today's young generation is thoroughly confused. It is not very worried about class. It has no heroes. Linda, aged 17, said in Newcastle: "There's nobody to admire." She also said: "There's nothing to believe in." She is doing A-levels.

The views of whites on race relations are far from liberal (blacks did not talk about it much to a white reporter and what they said was defensive) and are based on scolding misinformation. To find so much apathy among people of this age is alarming.

So is the amount of resignation on view, of which there was distinctly more in Newcastle than in Croydon. Violence born of frustration and incoherence is still very much a minority pursuit; far more young people not only believe their future is bleak — they also appear to have given up the idea of trying to better their lot. Ambition is confined to the upper end of the social scale, yet is lacking in rather a lot of those with a good start in life in terms of education and privilege.

There is a perhaps surprising readiness to follow parental advice, among today's young people, who also tend to favour tougher laws and to sympathize with the difficulties of the police in a way which ought to be a pleasant surprise for Sir David McNeice after Brixton and Mr Kenneth Oxford after Toxteth. But young people do actually need to be told what to do; it may be because so much of authority has abdicated its responsibilities in recent times that they show such a clear appetite for it.

In the end every conversation came round to the one great overriding topic: work and the lack of it. It is undoubtedly uppermost in their minds — whether they will get a job; whether, having found one, they will keep it; whether it will bring them satisfaction and the money to do what they want to do. No prompting was ever necessary. It always came up spontaneously and from them.

The nub of the problem is that there are almost no jobs at all for the academically unqualified and those best suited for manual work. The lesson seems to be that if Britain does not do something drastic about this very soon, in months rather than years, it will be saddled with an unemployed, unemployable, unemployable, capable only of causing social problems.

The legion of the lost could easily become a cohort of the damned. The evidence is disturbing: please read on.

### UNEMPLOYMENT: CAUSES AND EFFECTS

What do you think are the main causes of unemployment?

	All	Nide	Croy
Government/Conservative party	31	33	29
World situation	10	12	9
Immigrants/BSEs	10	9	12
New Technology/microchip	9	5	12
Trade unions/union leaders	3	3	3
The workers/workforce	3	1	4
Management	2	3	1
Common Market/EEC	2	3	1
Other reasons	26	23	28
Don't know	13	16	10

Experience of unemployment:

	%	%	%
More than two years	15	12	6
More than one year	15	21	7
More than six months	27	28	26
Up to six months	49	41	59

Which two or three unpleasant aspects of being unemployed are the most serious?

	%	%	%
Difficulty making ends meet on benefit	42	48	45
Burning into debt	38	38	38
The longer you are unemployed the harder it is to get a job	29	29	29
Losing the will to work	28	28	28
Feeling a burden on the family	28	28	28
Hostility from people who think jobs are lazy	19	19	19
Signing on at unemployment exchange	11	11	11
Embarrassment with friends and neighbours	7	7	7
None/don't know	2	2	2

On law and order many of the younger generation show decided — not to say authoritarian — views, yet also exhibit a significant degree of tolerance towards violence. The level of interest in politics, however, is very low. Only 4 per cent pronounced themselves "very interested" in politics, with another 30 per cent, saying they were "fairly interested". Those "not very interested" amounted to 37 per cent and those "not at all interested" to 29 per cent.

Those with a positive interest in other words, are outnumbered by two to one. (As many as 72 per cent of the sample felt they had not been taught enough about Government while still at school.)

Invited to react to the statement, Most politicians are sincere and want to serve the community, 39 per cent agreed; on 38 per cent disagreed; on 23 per cent said they did not care about what people like me think, 41 per cent agreed and 41 per cent disagreed; faced with the proposition, Neither the Conservative nor the Labour Party represents the views of people like me, 41 per cent agreed while 33 per cent disagreed.

There is nowhere to go but the pub and that is a rip-off too; would-be pop stars complain that their bands actually have to pay the owner of an establishment for the privilege of entertaining his customers.

Those concerned about the survival of British democracy ought to be concerned about the low level of interest in politics, among the new generation. To find so much apathy among people of this age is alarming.

So is the amount of resignation on view, of which there was distinctly more in Newcastle than in Croydon. Violence born of frustration and incoherence is still very much a minority pursuit; far more young people not only believe their future is bleak — they also appear to have given up the idea of trying to better their lot. Ambition is confined to the upper end of the social scale, yet is lacking in rather a lot of those with a good start in life in terms of education and privilege.

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## Unemployment is the overriding issue

Unemployment and the threat it represents to themselves and to British society loom very large in the minds of the young generation most exposed to them, according to the MORI attitude survey commissioned by The Times.

A contemporaneous MORI poll of a representative sample of the population as a whole showed that 67 per cent thought unemployment was the major issue facing the country.

When our sample was asked What would you say is the most important issue facing Britain today, 74 per cent said unemployment; 83 per cent said so in Newcastle compared with 65 per cent in Croydon where the problem is half as bad. The second most important single issue mentioned was inflation, given by a mere 6 per cent of the sample (but by 9 per cent of the national youth sample and 14 per cent of the population sample).

The supplementary question, And what other issues do you think are particularly important in Britain today, took the total of those regarding unemployment as a major issue to 43 per cent. Prices were mentioned by 33 per cent.

Some 62 per cent of the sample took the view that the street riots this year were caused principally by unemployment (a view shared by 52 per cent of the national population, and 56 per cent of the national youth sample). Only 26 per cent blamed racial tension, and police conduct was blamed by 17 per cent (23 per cent in Croydon but only 11 per cent in Newcastle; Croydon, it should be noted, borders on Brixton).

Unprompted, the respondents blamed the Government for unemployment as a major issue, more than any other factor when asked What do you think is the main cause of unemployment in the country as a whole? (see table). The world situation was blamed by 15 per cent, immigrants by 10 per cent and new technology by 9 per cent.

One of the saddest results to emerge from the question on the effects of being out of work is the fact that 28 per cent felt themselves to be a burden on their families. Shortage of money, best described by a short head as the most serious direct effect. In Newcastle 59 per cent put difficulty in making ends meet at the top, in Croydon 45 per cent.

At the time of the survey 57 per cent of the respondents were not working, 36 per cent were working more than 30 hours a week (45 per cent in Croydon but only 27 in Newcastle) and 6 per cent less than that. Of the entire sample, 28 per cent were available for work but unemployed (two years ago it was 9 per cent, according to MORI); 28 per cent is more than double the figure for the nation as a whole. Of those in work, 45 per cent said they had been unemployed at some stage since leaving school.

Of all of those who had experience of unemployment, 9 per cent said they had been out of work for more than two years; and a further 15 per cent for more than one year. Another 26 per cent had been jobless for more than six months, while 47 per cent said they had been out of work for up to six months.

Twice as many in Newcastle (12 per cent) as in Croydon had been unemployed for more than two years, and nearly three times as many (20 per cent) compared with 7 in Croydon for between one and two years. The average period out of work in Newcastle is more than twice as long as in Croydon.

All were asked whether they had a close relative (spouse, parent or sibling) unemployed at the time: 31 per cent had; 33 per cent had a relative out of work during all, or part of the previous year.

Those in full or part-time work were asked what they thought of their jobs: 37 per cent were very satisfied and 42 per cent fairly so, against 11 per cent dissatisfied. It is not possible here to distinguish between job-satisfaction and satisfaction at being in work at all.

The motivation to work seemed fairly high. Asked whether they would work even if they had a private income making it unnecessary to work, 73 per cent of respondents said they would while 20 per cent said no.

The sampling found a clear majority in favour of the Youth Opportunities Programme (YOP), the Government scheme to give the young unemployed a taste of working life. Reacting to the statement, The Youth Opportunities Programme is just to keep young people off the streets, 60 per cent agreed while 31 per cent disagreed. But The Youth Opportunities Programme provides useful experience for young people was a statement approved by 67 per cent with 22 per cent against. The Government's own surveys show an 80:20 ratio of approval over disapproval.

Two thirds of the sample were opposed to compulsory military service (41 per cent strongly opposed) and only one quarter (25 per cent) in favour. The idea of compulsory community service was more gently but still firmly rejected, with 49 per cent against and 32 per cent in favour.

Asked, How likely do you think it is that when you are 30 you will have the sort of job you would like, 24 per cent thought it very likely and 33 per cent fairly, compared with 20 per cent fairly unlikely and 17 per cent very unlikely. This was the least pessimistic answer we got to questions about respondents' views of the future.

Only 21 per cent of the sample, which included many still at school, thought that trade unionists (compared with about 50 per cent for the entire national labour force in work). The accompanying table shows two-to-one majorities in favour of unions but against the closed shop. More than half thought they were too powerful; only one in five thought they did enough for youngsters.

This survey was conducted by Market & Opinion Research International (MORI) on behalf of The Times among a representative sample of 294 respondents in Croydon and upon Tyne aged 15-24. Fieldwork was conducted August 20-September 2 1981. National comparisons are from a MORI survey conducted for The Times among 1,775 adults also August 20-September 2 1981. Sample surveys are of course subject to tests of statistical reliability. In this case, the results from the sample of 585 young people whom MORI interviewed are accurate to within approximately 4 per cent (plus or minus) of the results if all young people in Croydon and Newcastle had been interviewed. When comparing the two samples, Croydon and Newcastle, a difference of less than approximately 5 per cent would not generally be thought statistically significant, 19 times out of 20.

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The motivation to work seemed fairly high. Asked whether they would work even if they had a private income making it unnecessary to work, 73 per cent of respondents said they would while 20 per cent said no.

The sampling found a clear majority in favour of the Youth Opportunities Programme (YOP), the Government scheme to give the young unemployed a taste of working life. Reacting to the statement, The Youth Opportunities Programme is just to keep young people off the streets, 60 per cent agreed while 31 per cent disagreed. But The Youth Opportunities Programme provides useful experience for young people was a statement approved by 67 per cent with 22 per cent against. The Government's own surveys show an 80:20 ratio of approval over disapproval.

Two thirds of the sample were opposed to compulsory military service (41 per cent strongly opposed) and only one quarter (25 per cent) in favour. The idea of compulsory community service was more gently but still firmly rejected, with 49 per cent against and 32 per cent in favour.

Asked, How likely do you think it is that when you are 30 you will have the sort of job you would like, 24 per cent thought it very likely and 33 per cent fairly, compared with 20 per cent fairly unlikely and 17 per cent very unlikely. This was the least pessimistic answer we got to questions about respondents' views of the future.

Only 21 per cent of the sample, which included many still at school, thought that trade unionists (compared with about 50 per cent for the entire national labour force in work). The accompanying table shows two-to-one majorities in favour of unions but against the closed shop. More than half thought they were too powerful; only one in five thought they did enough for youngsters.

This survey was conducted by Market & Opinion Research International (MORI) on behalf of The Times among a representative sample of 294 respondents in Croydon and upon Tyne aged 15-24. Fieldwork was conducted August 20-September 2 1981. National comparisons are from a MORI survey conducted for The Times among 1,775 adults also August 20-September 2 1981. Sample surveys are of course subject to tests of statistical reliability. In this case, the results from the sample of 585 young people whom MORI interviewed are accurate to within approximately 4 per cent (plus or minus) of the results if all young people in Croydon and Newcastle had been interviewed. When



## Top military chief joins attack on MX missile plan

From Nicholas Hirst, Washington, Oct 5

Air Force General David Jones, chairman of the Joint Chiefs of Staff, the top military officer in the United States, today launched a strong attack on President Reagan's decision to base MX missiles initially in super-hardened silos.

Giving the first evidence on Capitol Hill since the President's announcement of his \$108,300m (150,000m) strategic nuclear weapons package on Friday, General Jones said he had recommended the "rice track" system of protecting the missiles against a Soviet strike chosen by former President Carter.

That would have shuttled 200 missiles on a rail network around 4,600 shelters in the Utah and Nevada desert.

General Jones told the powerful armed services committee he had been unable to convince either President Reagan or Mr Caspar Weinberger, his Defence Secretary, that a mobile basing system was the best way for the system to survive an attack.

"I remain to be convinced that hardened silos would give survivability," he said.

General Jones was appointed by President Carter, but was given another two-year term by President Reagan soon after he came into office in the face of opposition from some conservative Republicans who wanted a new system.

His comments give ammunition to congressional critics of the MX proposal. Congress must vote the money to allow the plan to go ahead.

Already in difficulty over its sale of Avacs early warning radar aircraft to Saudi Arabia, the administration faces sharp questioning on its MX decision.

The administration is to put about 36 of the new MX missiles in hardened silos and housing older, less powerful, less accurate Titan and Minuteman weapons and to study how to base the MX in the long term.

The first MX missiles should be ready by 1986 and it is hoped that 100 capable of carrying 1,000 warheads will be in position by the end of the decade.

He made it crystal clear that joint command of the five aircraft in a proposed \$8,500m (\$14,700m) arms package was not possible and that Saudi Arabia would go no further than to agree to the "understandings on limitations" that the President had outlined on his first appearance before the committee last week.

The plan to sell the aircraft has run into strong opposition in Congress on the ground that they pose a threat to the security of Israel. Both houses have to veto the deal.

A majority opposes the sale in the House of Representatives and a resolution against it has been signed by 50 out of the 100 members of the Senate. Senator John Glenn, Democrat of Ohio, has said opposition in the Senate would evaporate if the Saudi Arabians agreed to joint command with the United States.

Mr Haig, however, told the Senators bluntly: "This is not the time to impose severe strain on our relations with one of our closest friends in the region." If Congress vetoed the sale it would set back badly the prospects for security cooperation with Saudi Arabia.

There would be complete data sharing with America on a continuous basis. There would be no sharing with other countries without American consent. The aircraft would only be used for defence and would fly within Saudi Arabian borders.

President Reagan is expected to invite former President Carter to the White House next week as part of the effort to persuade Congress to agree to the sale of five Avacs aircraft to Saudi Arabia. Mr Carter supports the sale.

Egypt reassured, page 8

## Reagan move to switch social aid to private hands

From Nicholas Hirst, Washington, Oct 5

Saying it was time to take a fresh look at government social programmes, President Reagan today announced the formation of a presidential task force to promote voluntary work and private sector aid.

Headed by Mr William Verity, chairman of Armco Steel, it is composed of 35 leaders from corporations, foundations, and voluntary and religious organisations.

The aim is to promote private-sector leadership and responsibility for solving public needs and to recommend ways of fostering greater public-private partnerships, the President told the National Alliance of Business here.

Mr Reagan outlined his philosophy of reducing state interference and encouraging business and philanthropy.



General Jones: Hardened silos not good enough

Mr Weinberger emphasized in his evidence that the hardening of the Minuteman and Titan silos was only a temporary solution. In 1984 the Administration would decide on a permanent system.

He argued that the rice track system was ineffective. The planned shelters would be relatively soft and could be easily destroyed by Soviet missiles. The Soviet Union could build the missiles as fast as America could build shelters.

However, Senator Robert Byrd, the Democratic Senate Leader, said today he hoped Congress would reject the President's MX plan.

Opposition to the proposal has also come from Mr Harold Brown, Defence Secretary under President Carter, and Mr Zbigniew Brzezinski, President Carter's National Security Adviser.

Mr Brown said by 1984 or 1985 the Soviet Union would have nuclear warheads sufficiently accurate to blast all the silos. Mr Brzezinski said that putting the MX in Titan silos would lead the Soviet Union to conclude that the American war plan called for it to make a surprise first strike.

## Paris sugars pill of austerity

From Charles Hargrove, Paris, Oct 5

Socialist governments in the past have all, in the eyes of French public opinion, borne the indelible stigma of devaluation. President Mitterrand's Cabinet has largely succeeded in escaping this approbrium thanks, ironically, to the initiative of his predecessor in launching the European Monetary System (EMS).

This has sugared the pill by changing it into what M Jacques Delors, the Finance Minister, described this morning as an overdue but limited readjustment of European policies, including the Deutsche mark. Since the beginning of 1974, he said, the franc has lost 30 per cent of its value in relation to the West German currency. "If some leaders of the Opposition were mourning today, it is mourning for their past administration, not for ours," he added.

M Delors, whose personal standing with his colleagues in Brussels enabled him both to obtain German support and to limit the damage to the franc, is fully aware that a devaluation, even in one's own time and of one's own choosing, cannot succeed if the present inflationary trends at the root of it should persist.

He therefore announced this morning a whole series of special measures designed to achieve his objective of bringing price increases down.

These include a six-month price freeze for services; a three-month freeze for certain essential commodities like bread, butter, milk, sugar and coffee; a freeze on the profit margins of importers for three months; special control of up to 50 "sensitive" commodities; and a recommendation to industry to limit price increases to 8 per cent in a full year.

All this amounts to an austerity programme which smacks of the recipes of M Raymond Barre, the former Prime Minister, even if its inspiration and its logic is a different one. It shows how much the Socialist Government, which hitherto gave priority to measures against unemployment, has become aware of the threat of inflation.

There was a legitimate role for government to play in providing social aid, he said, but many people were economically trapped by welfare payments, and would like nothing better than to be at work. His economic programme was designed to create new jobs. More should be done to increase social programmes but it was time to take a fresh look at how they were provided.

"The private sector still offers creative, less expensive and more efficient alternatives to solving our social problems," he said. "There are hard-headed, no nonsense measures by which the private sector can meet those needs of society that the Government has not, cannot or will never be able to fill."

## Solidarity angry over cigarette price rise

From Dena Trevian and Denis Taylor, Gdansk, Oct 5

The uproar over cigarette prices at the Solidarity national congress last night demonstrated the power of the independent trade union movement and the continuing inability of the Government to make the mood of the country into account.

The furor over the doubling of tobacco prices on Saturday showed that no decision can be made without prior consultation with the 10 million-strong union.

The Government did not back down, but a way out may be found by negotiating compensation in wage packets to cancel out the effect of the rises.

Even though it is part of the agreed economic reform programme to introduce market criteria — which inevitably means increases in consumer prices — the timing of the Government's announcement is inept. Poles are heavy smokers and, according to official statistics, come fourth in the world league with an annual consumption of 2,700 cigarettes a head.

The price rise touched off emotions and could easily have caused labour unrest. As one delegate from Silesia, the heartland of the Polish mining industry, told Dr Marian Kraski, the Finance Minister, the miners were ready to call a strike.

Dr Kraski spent two hours at the congress last night unsuccessfully trying to convince delegates of the merits of the government decision. They questioned him and often laughed scornfully at his replies. Then they demanded the suspension of the decision pending negotiations.

After a vote was taken to appoint a negotiating team, it transpired that Dr Kraski had no power to reverse his decision, but could only discuss possible compensation.

The delegate from Silesia, who spoke a dialect which the minister had difficulty in understanding, was invited to sit next to him. When they came face to face, the minister asked: "Why is everything so bad in our country?" The Silesian miners, he said, would be willing to pay more for cigarettes if they could be assured of getting sausages instead of ration coupons.

Once again, it was Mr Lech Walesa, the Solidarity chairman, who intervened and put an end to what was clearly threatening to turn into an angry confrontation. Closing the debate, he turned to the minister and said: "There is only one solution, and that is to suspend the decision and only then discuss the price rise."

There would be trouble in the country if the Government insisted on going ahead with the increase. "We can keep the situation in hand," he said, "but perhaps you may not be able to."

Recently, when the price of bread rose, there were no problems because compensation was negotiated, even if it was not entirely to the union's satisfaction. This time, the Government acted without consultation. The minister explained that, as in the case of alcohol, tobacco was a state monopoly and cigarette prices did not therefore need to be negotiated with Solidarity.

On the crucial self-management law which the congress has accepted with qualifications, the party newspaper *Trybuna Ludu* today expressed apprehension. It described the Solidarity resolution as calling into question the implementation of the law, which went into effect on October 1. And it accused the congress of placing itself above Parliament and the law.

### IN BRIEF

#### US citizenship for Wallenberg

Washington — President Reagan signed a resolution today giving honorary American citizenship to Raoul Wallenberg, the Swedish diplomat, who saved the lives of over 100,000 Jews in Hungary during the Second World War.

Wallenberg disappeared after the Russians arrested him in 1945. Mr Reagan said: "There is evidence he is still imprisoned by the Soviets."

#### New search for Briton

Camerino, Italy — Italian police plan to begin another search in the Sibillini mountains for Mrs Janet Dorothy May, aged 40, former wife of the British banker, Mr Evelyn de Rothschild. Mrs May vanished on November 29.

#### Aid for Zambia

Lusaka — The United Nations High Commissioner for Refugees gave Zambia £350,000 for immediate aid to refugees and displaced Zambians near the Angolan and Namibian borders.

#### 'Spy' arrested

Karlsruhe — West German police have arrested an East German scientific worker, Herbert Müller, aged 54, on suspicion of spying for the Soviet KGB secret police.

#### Pigeon puzzle

Paris — French counter-intelligence has been called in to investigate the killing of a carrier pigeon bearing a Hebrew-written message.

#### Etna rumbles

Catania — A recently opened crater on the western slope of Mount Etna has resumed spewing black smoke and ashes after being dormant for several days.

## Muldoon apologizes to Mugabe for remarks

From David Watts, Melbourne, Oct 5

Mr Robert Muldoon, the New Zealand Prime Minister, and the "angry" members of the Commonwealth, today apologized for remarks he made over the weekend about Mr Robert Mugabe, the Zimbabwe leader.

In the resumed session of the Commonwealth Heads of Government Meeting he said that his remarks had been intended as a remark of approval for a leader he greatly admired.

During a conversation with New Zealand journalists in Canberra during last weekend's recess Mr Muldoon, discussing what he saw as Mr Mugabe's inflexibility, said: "I suppose when you have been in the jungle for years shooting people you can't understand. He's got a closed mind."

Mr Shridath Ramphal, the Commonwealth Secretary-General, today reported to a whole catalogue of criticisms and personal attacks, with the Secretary-General and his interference in the leaders' deliberations singled out for particular mention.

Mr Muldoon's remarks at the weekend were part of a wider catalogue of criticisms and personal attacks, with the Secretary-General and his interference in the leaders' deliberations singled out for particular mention.

Mr Muldoon, a short, heavy-set man, is frequently referred to as "Piggy" in the New Zealand and Australian press. But he told a Melbourne newspaper yesterday that "Piggy" was out of date as a nickname.

He said: "I work on the basis that strong straightforward words help all the time. You can get into a lot of arguments, but at least people know where you are on an issue."

His running argument with Mr Ramphal over the Springbok tour has been a recurring feature of the summit since it opened last Wednesday.

Furious with Mr Ramphal's suggestion that New Zealand had not done enough to stop the tour, Mr Muldoon said: "Secretaries should stick to taking minutes."

Mr Muldoon has a great appetite for talking to the press and has driven New Zealand correspondents at the summit to exhaustion with as many as three personal briefings a day.

Some Australian journalists have suggested that Mr Muldoon's tough statements here may not be entirely unconnected with New Zealand's general elections scheduled for November 28.

## Commonwealth leaders resume conference

## Thatcher cautions Trudeau

Melbourne, Oct 5 — Mrs Margaret Thatcher said Mr Pierre Trudeau, her Canadian counterpart, today she would submit his constitutional reform package to the House of Commons, but warned him it faced growing opposition in London.

The two Prime Ministers, attending the Commonwealth conference here, met for 25 minutes to discuss Mr Trudeau's proposals. A statement after the meeting said Mrs Thatcher had agreed to submit the reform package to Parliament once it had been approved by the Canadian Parliament.

Mr Trudeau said last week he would submit the plan to his Parliament soon after it reconvenes on October 14.

The proposed changes would amend the requirement that amendments to the Canadian constitution be approved by the British Parliament. The package, opposed by eight of Canada's 10 provinces, also includes a new bill of rights and a formula for amending the constitution once Britain has relinquished its control.

Today's statement said Mrs Thatcher told Mr Trudeau that British MPs were concerned at being asked to pass a measure which did not have the approval of a substantial number of provincial governments. However, Mr Trudeau hoped the MPs would recognize that that was a matter for Canadian politicians to decide.

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Leaning to the left: Mrs Margaret Thatcher at the residence of the British Consul in Melbourne.

## Nigerian paper urges withdrawal

From Karen Thapar, Lagos, Oct 5

The government-owned New Nigerian newspaper has called on the Government to take Nigeria out of the Commonwealth.

"The Commonwealth may seem innocuous but that is not sufficient reason to remain in a club which we think is for us one talking shop too many," the paper's leading article argues. "We hope, therefore, that by the next summit we would have left it."

"Our business with Britain will not dwindle because we

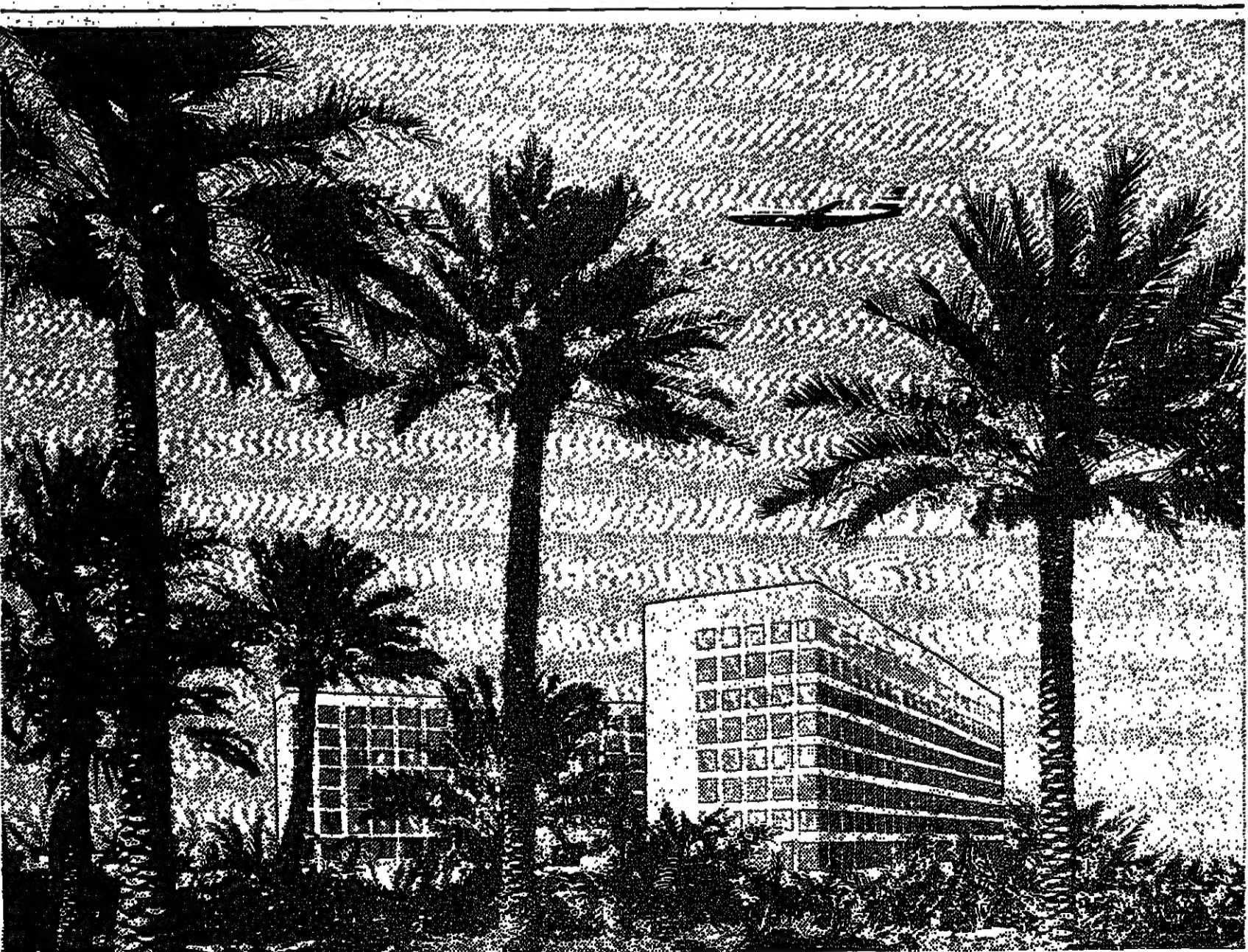
opt out," the paper reasons. "As for the other business of international politics we have a far more appropriate forum in the OAU, the nonaligned movement and the UN. We may not have been any more able to get our way in these forums than in the Commonwealth but at least they do not have a colonial past which makes that club highly suspect."

The article is unlikely to influence President Shugu Shagari's Government which is a dedicated and committed

member of the Commonwealth. But diplomats believe that it is a strong indication of the increasing frustration in Government circles with Western and, in particular, American policy.

In the past six months the New Nigerian has, often in strong terms, criticized the Shagari Government over its attitude to Libya, and its economic policy and performance. The leading article appeared on the day that the President strongly criticized the United States.

# BAHRAIN?



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## El-Al will ground aircraft worldwide every Sabbath

From Christopher Walker, Jerusalem, Oct 5

Plans to ground Israel's national airline for 24 hours each week on the Sabbath and on all Jewish holidays are to go ahead despite bitter opposition from the airline's management, a threat to several thousand jobs and an estimated cost to the company of £30m.

As soon as final details have been agreed, the airline will have to operate a new schedule insuring that none of its aircraft takes off or lands anywhere in the world during the 24-hour period from sunset on Friday to sunset on Saturday.

The Sabbath shutdown of El-Al was one of the most controversial clauses in the 84-paragraph coalition agreement signed in August between Mr Menachem Begin, the Prime Minister, and the three religious parties who provide him with the necessary seats to form a Knesset majority of 61 to 59.

At a 90-minute meeting here today the four Knesset members of the ultra-orthodox Agudat Israel Party secured a pledge that all clauses in the coalition agreement would be speedily implemented, including the Sabbath flight ban.

Other sections of the two-month-old agreement to be put into effect soon include a Sabbath ban on all operations of the national Egged Bus Company and the provision of

large sums of public money for orthodox educational institutions.

In addition, the religious parliamentarians claimed after today's talks that the Government will soon press ahead with a scheme to insure that all Jewish human remains are removed from Israel's archaeological research institutes and given a proper Jewish burial.

Mr Begin is already coming under heavy pressure to implement another clause in the coalition agreement which would enable the country's chief rabbis to exercise stricter control over contested archaeological digs like that at the City of David site in Jerusalem which has already prompted street riots and still threatens a political crisis.

Today's meeting came after a special session of the Council of Torah Sages, the secretive body of elderly rabbis which dictates all policy to the Agudat Israel Knesset faction. It is understood that some of the ultra-orthodox rabbis were angry that elements in the coalition agreement appeared to be neglected in practice.

Political observers saw today's session with Mr Begin as evidence of the strong political clout now wielded by the religious politicians in the Knesset. Their influence has angered many Israelis who argue that they represent

only a minority of the country's population.

In a separate development, the World Zionist Organization has outlined details of a far-reaching plan to settle a further 100,000 Jews in the occupied West Bank over the next four years, and to increase the Jewish population of the area to a million by the first decade of the next century.

The plan was unveiled by Mr Matityahu Drobles, co-chairman of organization's settlement department and is expected to win Cabinet approval in the next few weeks. By 1985, it envisages the construction of between 12 and 18 new Jewish settlements and a substantial increase in the population of those already started.

Israeli officials are confident that the plan will secure government backing.

Western diplomats noted that the publication of the scheme appeared to be working directly against attempts by Mr Ariel Sharon the Defence Minister, to induce a new atmosphere of cooperation among moderate Palestinians living in the West Bank. Asked if the needs of the 700,000 West Bank Arabs were taken into account in the scheme, Mr Drobles told the Jerusalem Post: "The plan is a plan for Jews. I do not care whether the Arabs accept it or not."

## Egypt gets assurances of aid from America

From Our Correspondent Cairo, Oct 5

The United States has told Egypt that President Reagan's Administration will do all it can to help its allies in the Middle East and Africa to confront Soviet-inspired designs in the regions. Egyptian Vice-President, said today after four days of talks in Washington.

The promises came as President Anwar Sadat and Mr Kamaladdin Hassan Ali, his Defence Minister, in separate interviews here, gave warnings that Soviet-backed Libya was planning a "big game against Sudan" and that Moscow's military advisers and Cuban troops in Marxist-ruled Ethiopia form a rapid deployment force that could threaten any Gulf country, or the Red Sea oil routes to the West.

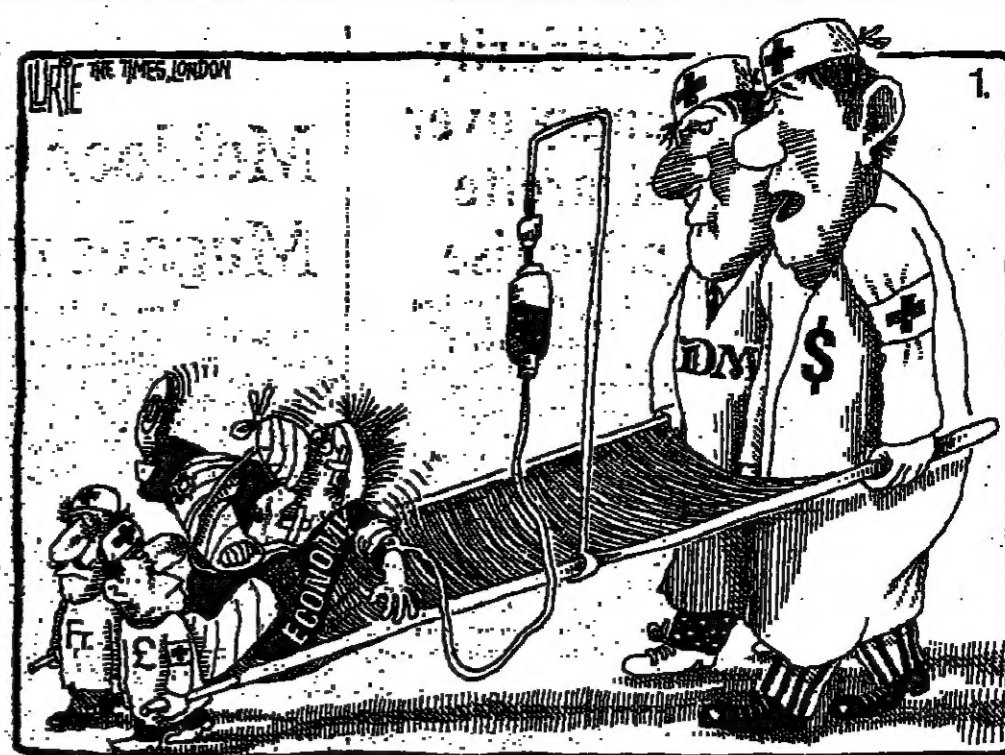
Mr Mubarak, who was sent by President Sadat to impress on the Reagan Administration that the Soviet moves in the region increase Saudi Arabia's need for Awacs radar aircraft and Sudan's need for military hardware, said his talks in Washington were "very good".

Israel is trying to frustrate the Reagan administration's attempts to win Congressional approval for the Awacs sale to Saudi Arabia, claiming the kingdom could use them to threaten the Jewish state. But the Saudis, who fear the Iran-Iraq war may spill over into their country and the Soviet Union may move closer to them from Afghanistan, say they want the Awacs for defence purposes.

"I have sensed a great understanding on the part of the Reagan Administration of the Soviet moves in the region and the designs behind them," Mr Mubarak said. He emphasized to the officials that there would be "lots of repercussions" if the United States withheld the Awacs sale, and it would "also put into question the Administration's commitments to its allies".

Shortly after the Russian invasion of Afghanistan, Soviet-equipped Libyan forces intervened militarily in Chad, which shares the river Nile and a common defence pact with Egypt.

In an interview with the newspaper *Maya*, the weekly organ of Mr Sadat's ruling National Democratic Party, the Egyptian leader said Libya was "actually planning a big game against Sudan", and he accused Moscow of using Colonel Muammar Gaddafi of Libya to destabilize moderate regimes in the area.



## Chirac indicts record of Socialist regime

From Charles Hargrove, Paris, Oct 5

After a deliberate and almost unbroken silence of four months since the presidential and parliamentary elections, M Jacques Chirac the Gaullist leader inaugurated his return to the political limelight at a press conference which bore the stamp of his characteristic gusto and self-confidence.

It was largely taken up with a harsh indictment of the Socialist Government's economic and social record, based on an obsolete and unrealistic "ideology" which leads to upheaval.

If he proved rather more diffident than usual in putting himself forward as the leader of the opposition, about the need for a "renewal of the men, the ideas and the language" which must inspire its action in future, this was in order not to frighten away the Gaullists, and rather tentative proposals for cooperation with the Gaullists.

It was also because the Gaullists "themselves" in the next three months, leading the opposition, should be going to sort out their own proposals and ideas in the shape of a "Republican project" for the future.

The Socialist's economic and social programme was denounced as obsolete, he claimed. "What is the implementation of a policy which is outdated, unadapted to the needs of France, and almost unbroken silence of four months since the presidential and parliamentary elections, M Jacques Chirac the Gaullist leader inaugurated his return to the political limelight at a press conference which bore the stamp of his characteristic gusto and self-confidence."

## Nine climbers feared dead in Himalayan expeditions

Katmandu, Oct 5 — Six climbers have died in the Himalayas and 10 others are missing, three of whom are almost certainly dead, according to official reports today.

The six confirmed killed on two separate expeditions, in Nepal were two French, two Nepalese and two Japanese. The 10 missing, from two separate teams in India are all Japanese.

The Nepalese Tourism Ministry said the French and Nepalese mountaineers were

## President walks from Baltic to the Alps

From Patricia Clough Bonn, Oct 5

To the strains of a hallooing chorus and the thump of Bavarian brass bands, President Karl Carstens of West-Germany arrived in Garmisch-Partenkirchen at the weekend after walking, in stages, the length of his country from the Baltic to the Alps.

Many of his countrymen had sniggered when the 66-year-old President and his wife set out from Hohwacht on the Baltic coast two years ago. By the time they reached Garmisch 700 miles away, his popularity had risen by 50 per cent and he had helped revive the old fashioned German passion for *Wanderungen* — long hikes through the countryside.

His aim had been to encourage people to get out of their cars and walk ("Less Mercedes, more per pedes" was his motto) and appreciate the beauty of their own country. He also wanted to meet ordinary people.

Striding along usually at the weekends in corduroys and anorak, with local dignitaries puffing along by his side and often several hundred keen walkers in his wake, he was briefed by all sorts of people on every subject from the problems of this years crops to what was wrong with the teachings of Aristotle. His wife Veronica, 58, who is a doctor, was usually some way behind, often being asked medical advice.

They passed through 238 towns and villages where they were met with bands, speeches and children hisping nature poems and were treated with presents of sausages and other specialties. They also collected 100 walking sticks and 100,000 marks (about £25,000) for Dr Carstens' multiple sclerosis charity.

But most grateful to the President are the *Wandervereine*, walking associations which flourished when *wandern* was all the rage in the late nineteenth and early twentieth century. Since President Carstens has been walking, their membership has risen by 120,000 to about 600,000.

For many years people who went walking were considered a bit odd," says Herr Heiner Weidner, spokesman for the Federation of Walking Associations. "Now walking is being taken seriously again."

## Prisoners stir Spain into judicial reform

From Richard Wigg, Madrid, Oct 5

Spanish officials estimate that about 5,000 magistrates and judges would be needed, to give the country a judicial corps equivalent to that existing in other West European nations.

The shortfall lies at the root of the problem of the extreme slowness of Spanish justice which last week provoked 7,000 prisoners in 35 jails to boycott all prison food for five days. They were demanding, above all, a speed up of their trials.

More than half of the 22,000 inmates of this country's jails are awaiting their first court appearance.

The average waiting time for trial is one year, but because of the understaffed and slow-moving judicial machinery it can run to more than two. In the past year

there have been 19 suicides in jails, all of young men.

The prisoners' movement received a sympathetic response from the public and from Señor Enrique Galavis, the Director-General of Prisons. The day after the prisoners decided to suspend their protest for one month to await the Government's reply, the Cabinet met and agreed to make a start with long-delayed prison reforms.

It is only a very small start and the movement in the jails could restart. Ten new courts are to be set up immediately in the Basque country and Catalonia where delays are worst. Parliament is to give priority to legislation for a "bigger establishment of magistrates and court clerks, plus a programme to spend £48m on new prisons."

The reform has been waiting amid a mass of Bills jammed in a variety of parliamentary committees. The judiciary is also clogged. Spanish lawyers still take, for instance, years to prepare themselves for examinations as magistrates.

While the reforms have gone so slowly, the few hard-pressed magistrates have responded to the public outcry of a mounting crime wave and increasingly refused bail. That is why the number of those awaiting trial has risen so dramatically.

The basic problem remains of adapting Spain's penal system, prisons and courts, to a modern, democratic society.

## Malaysian relations with Britain deteriorate

From M. G. G. Pillai Kuala Lumpur, Oct 5

Anglo-Malaysian relations have reached a new low with the Malaysian Cabinet decision last week to make it difficult for British firms to obtain government contracts. Two British ministers — Mr John Nott, the Defence Secretary, and Mr Peter Rees, the Minister of State for Trade — have been here since the decision became public but without being able to get official clarification.

Mr Nott declined today to go into the Malaysian boycott but said the move did not mean that British firms would be excluded, only that they would have to double their efforts to succeed.

The Malaysian decision, announced by Datuk Sri Mahathir Mohamed, the Prime Minister, last Friday, appears to be a retaliation for the London Stock Exchange move making it difficult for "dawn raids" to succeed. Coming as it does after the Malaysian takeover of Guthrie Corporation, the move is viewed here as a deliberate block to any future Malaysian moves to buy a majority shareholding in foreign-owned companies.

The new policy makes it obligatory for all Government and statutory bodies to clear all tenders awarded to British firms with the Prime Minister's office. This is already policy for all major tenders, but now if a British firm is chosen the agency concerned would have to submit an alternative non-British firm with that bid.

Officials here are wary of giving the reasons for the restriction on British firms. They say a decision has been taken means that bureaucrats will discriminate against British firms for even relatively minor contracts.

Informed sources said today that the Defence Ministry, for instance, is already looking around for alternative suppliers of equipment now bought almost exclusively from Britain.

The move comes after Datuk Sri Mahathir had expressed reservation about Australia and New Zealand, and developed countries in particular. Malaysia's decision to withhold its contributions to the Commonwealth Fund for Technical Cooperation (CFTC) until the developed world agreed to their share is a reflection of Malaysia's position.

Anglo-Malaysian ties have been declining for the past decade as Britain's entry into the EEC loosened some of the old ties. But the problems appear more basic than that.

## Carrington backs U S arms move

By David Spanier

Lord Carrington, the Foreign Secretary, strongly denied yesterday that there was any split between Europe and the United States on disarmament in Europe, but admitted that there was a genuine worry among the public that arms limitation talks had made no progress.

"It isn't so much neutralism as worry," Lord Carrington said. "I believe that once you get these talks going and hopefully we have some success, then a good deal of that worry will disappear."

Interviewed on Yorkshire Television last night, Lord Carrington emphasised that the Reagan Administration was "absolutely genuine" in wanting to limit theatre nuclear weapons in Europe.

"We are in a very difficult position in Europe because for the last two or three years the Soviet Union has been deploying these SS20 missiles, which are threatening in their capacity, and the great danger is that modernization of our theatre nuclear forces over many, many years, and it really would have laid Europe open to blackmail if we had done nothing about it."

The double decision to modernize and to negotiate was the right one, he said, and would lead on to a negotiation on strategic arms limitation, in the framework of SALT.

"I think there is a good chance that one could get a situation in which you don't actually have all these missiles," Lord Carrington went on.

One of the difficulties he had found in discussions with Mr Gromyko, the Soviet Foreign Minister, was agreeing on the base data. Until this was decided it was difficult to see if a negotiation was possible.

## CORRECTION

The new publishing centre of the Russian Orthodox Church in Moscow does not include printing facilities as was reported on September 23. All religious literature will continue to be printed on state presses.

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## World's doctors join fight against nuclear warfare

By David Cross

A group of eminent American, European and Soviet doctors, including the personal physician of President Leonid Brezhnev, have banded together to fight what they regard as the world's most dangerous health hazard — the threat of a nuclear war.

In a development little noticed in Britain but widely publicized in the United States and the Soviet Union, 40 physicians met near Washington earlier this year to discuss the general medical consequences of nuclear warfare.

Their main conclusion was that any organized medical response to nuclear war could make "no significant difference" to its catastrophic effects, given the nature and number of the casualties who survived the immediate effects and the virtually total destruction of medical facilities and services which would follow any nuclear attack.

A second meeting of the group, which calls itself "International Physicians for the Prevention of Nuclear War", is to be held in Cambridge next April to follow up the findings of the first congress with special reference to European countries.

A preparatory group which met last weekend at Ascot to draw up the agenda for the Cambridge meeting told a press conference yesterday that the consequences of a nuclear war would be particularly dire in the highly urbanized countries of Europe.

This was because, population densities were very high and the continued existence of urban societies were so strongly dependent on a complex structure of transport, communications, distribution of food and energy and the provision of organized medical and social care.

Inevitably, any group of concerned scientists which brings together Soviet and American representatives is bound to be regarded in the West as a potential propaganda tool for Moscow. At yesterday's press conference, Dr J. Fielding, consultant haematologist at St Mary's Hospital, London, conceded that he had gone to the United States earlier this year with grave misgivings about Soviet intentions.

But, he told *The Times*, he had been pleasantly surprised that the Soviet participants, including Professor Eugene Chazov, who is a leading cardiologist, as well as Mr. Brezhnev's personal doctor, had accepted the argument that politics should not be discussed at the congress. Dr Fielding pointed out that the Soviet press had reported widely and fully on the congress and its findings.

To counter the propaganda argument, the group has published a booklet of Soviet press clippings on the Washington congress which, by Soviet standards, are relatively unbiased, if ritual references to American imperialism and militarism are ignored.

## S Africa drops prosecution of journalist

From Michael Hornsby, Johannesburg, Oct 5

The South African state prosecutor today withdrew charges against Mr. Nat Gibson, the United Press International bureau manager, who had been accused of violating the Defence Act by reporting troop movements.

In a dispatch to his agency in June of last year, Mr. Gibson reported that troops had been used to protect the Volkswagen plant at Uitenhage, near Port Elizabeth, during a strike.

The accuracy of the dispatch has never been disputed. Mr. Gibson was charged under a section of the Defence Act which makes it an offence to publish a statement or comment of rumour relating to the activities of the South African Defence Force, calculated to alarm or depress members of the public.

In a statement the Foreign Correspondents' Association here welcomed the dropping of the silly charge against Mr. Gibson, but added: "The fact remains that charges were laid against Mr. Gibson over a story whose accuracy is not in question."

While expressing relief that the move against Mr. Gibson had now been abandoned, the association asked "whether a story whose accuracy is not in question" coupled with the expulsion order served last week on Miss Cynthia Stevens of the Associated Press, foreign journalists were being singled out for harassment.

If so, the statement declared: "These tactics will not help South Africa's search for credibility."



A supporter is attacked and forced over a crowd barrier during the brawl.

## England fans in Sydney brawl

Sydney, Oct 5. — Two men were stabbed and dozens injured during a wild brawl at the end of the World Youth Cup match between England and Argentina here today.

Three men were charged by the police. Fights erupted among the 17,000 spectators around the Sydney Sports Ground, involving more than 100 England and Argentine supporters, after the game had ended in a 1-1 draw.

Five car loads of police reinforcements were called to

the ground as the supporters fought savagely for more than 20 minutes.

Dr David Sheps, the Australian Soccer Federation doctor, who treated the two men with stab wounds before they were taken to hospital, said that one was lucky to escape death. "One of the wounded was fortunate the knife did not go through his ribs."

The brawl, one of the most violent seen at a sporting event in Australia, prompted virtually all of the crowd to stay back to watch.

Many people were flung over a 12 ft high fence on to the playing area as others exchanged punches and karate-type kicks. The small band of police at the ground were outnumbered.

The first sign of trouble came at the half-time break when a number of English supporters climbed the fence and approached a group of Argentine fans, who had begun a lap of the ground waving their flag. — AP and Reuter. Match report, page 15

## Bleak grain outlook for East Europe

By Hugh Clayton, Agriculture Correspondent

Grain supplies in much of Eastern Europe are likely to be as poor as those in the Soviet Union, according to harvest reports from Western sources. Poland, which has one of the largest crop-growing areas of any European country, is expected to do better than most other members of the Council for Mutual Economic Assistance (Comecon).

The United States Department of Agriculture estimates that Polish demand for grain imports, coming 12 months will be slightly lower than in the past year. Poland is expected to have a grain harvest this year of about 20 million tonnes.

That is about the same as the record or near-record expected from the smaller British arable area. Although Britain has a large potential to feed, the Polish leadership has to contend with a dietary tradition which has given their country one of the highest per capita meat consumption levels in the world.

The present EEC programme of food aid to Poland, to which Britain has contributed more than 400,000 tonnes of its record barley surplus, is almost complete.

The Eastern bloc is bound to remain a keen importer of grain in the trading year that has just begun. International grain supplies have formed into a pattern that could be summarized as "more in the West and less in the East."

The United States and the Soviet Union each account for about one-fifth of world output of cereals other than rice. Output is expected to be higher from the present harvest in the United States and lower in the Soviet Union.

Western reports, based on diplomatic contacts and monitoring of state-controlled media, suggest that the grain harvest in Romania will total about 19 million tonnes, compared with a planned 23.7 million tonnes and an actual yield last year of more than 20 million tonnes.

The total grain output in Czechoslovakia is expected to be about 10 per cent less than that of last year at just below 10 million tonnes, while

Hungary is also expected to suffer a drop to a national total of about 12 million tonnes. Harvests from the smaller agricultural areas in East Germany and Bulgaria are expected to show little change on the 1980 figures.

Although official predictions from France point to a slightly smaller yield than that of last year, other leading exporting nations in the West are forecasting larger totals.

The Bureau of Agricultural Economics of Australia has raised its estimate of a national wheat crop of 15 million tonnes to a near record of almost 17 million tonnes. The Government statistics office in Canada predicts a record wheat crop of almost 24 million tonnes.

Rome: United Nations Food and Agricultural Organization (FAO) yesterday forecast a record global coarse grain harvest this year and predicted that the world cereal trade would reach a new peak.

Continuing good weather had brightened prospects for 1981 coarse grain harvests in major exporting countries, according to the latest FAO outlook report.

World coarse grain production was likely to reach a record 780 million to 800 million tonnes, an increase of about two per cent over last month's forecast and 8 to 11 per cent higher than for 1980, the report said.

Wheat and rice output estimates "remain basically unchanged, it said. The bulk of the increase should come from the United States, with production likely to be 18 to 26 per cent above that of 1980, 197 million tonnes in 1980. But the poor weather in the Soviet Union seemed likely to result in the third consecutive bad harvest, the report said.

The report said world cereal production was expected to recover this year with total output ranging from 1,500 million to 1,540 million tonnes, compared with 1,440 million tonnes in 1980-81 and the previous record of 1,470 million tonnes in 1978-79.

The report also raised its forecast of world cereal trade in 1981-82 to a record 221 million tonnes. — Reuter.

## Broederbond said to have lifted ban on extreme right

From Our Correspondent, Johannesburg, Oct 5

Controversy is raging here over claims that the Broederbond (Afrikaner brotherhood), the secret society whose influence permeates the whole of Afrikaner political, economic and social life, has lifted its ban on members of the extreme right-wing Herstigte Nasionale Party (HNP) joining its ranks.

Both the HNP's own mouthpiece, *Die Afrikaner*, and English-language newspapers such as the *Rand Daily Mail*, have claimed that at a secret meeting of its executive council here on September 22

the Broederbond decided to lift the ban.

According to Mr. Beaumont Schoeman, editor of *Die Afrikaner*, great concern was expressed at the meeting about the loss of paid-up Broederbond members to the HNP, and it was decided that in future when a Broederbond member joined the HNP he would no longer be automatically expelled.

The claims have been denied by Professor Carel Boshoff, the national chairman of the Broederbond, who insists that no meeting of the

kind described took place and that the society's attitude towards HNP membership remains unchanged.

Despite this denial most informed observers here believe there has been a policy shift within the brotherhood, which in turn reflects tension between the *Verligte* (liberal) and *Verkrampte* (conservative) wings of the Afrikaner ruling class over the future of apartheid.

The Broederbond was founded in 1918, and began to assume its present character in the 1920s as a freemason

type of secret society whose aim was to promote the cause of Afrikanerdom at a time when the English-speaking community was still the dominant force in the country.

Mr. Pieter Botha, the Prime Minister, many of his cabinet ministers, and thousands of civil servants, school principals, senior teachers, lawyers and academics are known to be members of the Broederbond, even though the membership and proceedings of the organization are confidential.

## Prisoners of conscience



## Egypt: Ali Said Zahran

By Caroline Moorehead

Ali Said Zahran, a furniture maker from Damietta, is serving a five-year prison sentence for belonging to a communist organization imposed on him in the summer of 1978. He is reported to have undergone a recent kidney operation; but it is feared that he is not receiving proper after-care treatment.

For many years members of Egyptian communist organizations have been arrested and detained. When brought to trial, however, a great number have been acquitted in the state security courts by civilian judges, who reject the notion that membership of a communist group automatically implies intent to change government through violence.

Ali Said Zahran was not so fortunate. Under the security provisions of the state of emergency (still in force in 1978 though abolished in May 1980), the President was empowered to refer political cases of his kind for trial by military tribunal. It was before such a court that Ali Said Zahran received his sentence.

In his case, observers believe the tribunal acted particularly harshly. No intent to use or advocate violence was even produced in court, and his conviction is reported to have been based simply on possession of Marxist literature, and on the people he associated with. He is serving his sentence north of Cairo, in al-Qanatr jail.

## SUDANESE ASSEMBLY DISSOLVED

Khartoum, Oct 5. — President Nimeiry today dissolved Sudan's National Assembly and ordered elections in two months to a new Parliament with fewer than half the present number of members. The Assembly now has 366 members.

The move will reduce the powers of the body, the Sudanese news agency, Suna, said. The new 151-member Assembly's powers will be devolved to five regional people's assemblies, except in southern Sudan which has regional autonomy since 1972. The dissolved assembly was elected in April, 1980. — AFP.

## Political temperature rises Disquiet of Mugabe's opponents

From Stephen Taylor, Salisbury, Oct 5

Zimbabwe's Minister of Home Affairs has expressed concern about rising political tension and said that rallies by minority parties would be curbed if they attempted to cause disaffection.

A few months ago Mr. Richard Hove's statement would have caused more than a few raised eyebrows. Last week it was regarded as a sign of an increasing sensitivity in the ruling Zanu (PF) Party to opposition with a number of intractable problems.

The past two months have not been good for the national and racial reconciliation policy of Mr. Robert Mugabe, the Prime Minister. Uncompromising government statements and policies, dating from a shake-up of Zanu (PF) in August, have strained relations with Mr. Joshua Nkomo's Patriotic Front and left whites and other minority party supporters resented.

There was a confrontation in Parliament last week between Mr. Edson Zvobgo, a senior Zanu (PF) cabinet minister, and Patriotic Front MPs who, having criticized his suspension of two PF council officials, were invited to withdraw from the coalition Government.

It was also disclosed that the Government had withdrawn the bodyguards provided for Bishop Abel Muzorewa and Mr. Ian Smith, the former prime ministers and now opposition party leaders. The official explanation was that this was in line with the withdrawal of protection for

former prime ministers by previous administrations. In themselves these incidents are perhaps not significant, but after Mr. Mugabe and some of his ministers have on a number of occasions linked minority parties with subversion and economic sabotage, they have added to a growing unease in opposition ranks.

The whites, always sensitive to the slightest change in the wind, are particularly concerned. Even those who just a few months ago were optimistic about the country's future have been affected.

Mr. Rowan Croxall, a white MP, generally regarded as being among a group which accepted Zimbabwe's independence with a fair dose of pragmatism and goodwill, says: "When things get tough it is no good turning around and blaming everything on external forces and white colonialists. Many whites are doing their utmost to make the whole thing work."

Mr. Croxall also cites recent speeches by Mr. Mugabe as having contributed to white anxiety. "The Prime Minister has always been very considered in his remarks. These speeches have an air of uncharacteristic politicking which worries people."

In spite of the problems it faces with the economy, transport and the land resettlement programme, diplomatic sources have been puzzled by the Government's new tone.

Zanu (PF) retains an unquestionable majority of

support and has adopted measures — specifically in education, health and pay — which have considerably improved the lot of the vast majority. Why then, is it manifesting the symptoms of a government under siege?

Zimbabwe appears to be going through a period of transition and tribulation now that the euphoria of the first year of independence has worn off. The expectations of the majority — which are unrealistic — high are unlikely to be met in the terms in which they are perceived.

Indications are that economic growth will not increase at the rate that had been forecast, partly because of factors connected with the country's dependence on South Africa. Although Pretoria has said that it is willing to help with transport, it is believed that the Government may well have decided apart from any ideological considerations that as South Africa is likely to expect a quid pro quo and because regional tensions are likely to increase, it is preferable to opt for the hard road now rather than accept help with strings.

At home, the Government has been disappointed by white response to its reconciliation policy and has apparently decided that as emigration continues to exceed the rate at the height of the war, it cannot afford to be seen by its supporters to be going out of its way to appease an envious minority.

Zanu (PF) retains an unquestionable majority of

## Eight women among 61 executed in Tehran

Tehran, Oct 5. — Sixty-one people, eight of them women, were executed today at Tehran's Evin prison, the newspaper *Kouhan* reported, quoting a bulletin from the Iranian Revolutionary Prosecutor's office.

Among the capital charges against them were "rebellion against the Islamic republic", the murder of Islamic clergy members, members of the Government and "supporters of the Islamic revolution", attacks on Islamic Revolutionary Guards, armed robbery, and the illegal possession of weapons and hand grenades.

The 61 were described as being either opposition sympathizers or "hypocrites", the official term for the left-wing Mujahedin Khalq guerrilla movement.

One of them was Muhammad Kazem Gholzadeh-Gafari, the son of a Tehran mullah and MP, who has been a frequent absentee from recent sittings of Parliament. The mullah's second son was

executed on September 18 for taking part in armed attacks.

Meanwhile, in a separate report today, the English-language *Tehran Times* published a statement from the Prosecutor's office, announcing the execution of 22 people condemned to death by the revolutionary courts.

Tehran radio also reported today that in the southern city of Shiraz four left-wing Mujahedin had committed suicide by swallowing cyanide as revolutionary guards moved in to arrest them after a shoot-out.

Hojatolislam Ali Khamenei won 95 per cent of the vote in last Friday's presidential election, according to the final results released today by the Interior Ministry's political section.

The new President obtained 16,007,972 of 16,846,996 votes cast, or 95.01 per cent, according to the announcement on Tehran radio. — AFP.



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## Fashion extra by Suzy Menkes



Above: Patricia Neal at home at Gypsy House in a silver-grey silky suit with burnt-orange pattern by Dora Reisser. Also in brown and navy.

Left: Patricia Neal in the garden of her home in Buckinghamshire in a navy crepe culotte suit decorated with red braid. Also in burgundy or rust with navy.

Dora Reisser's clothes are available from Selfridges and Austin Reed in London, Ambers of Amersham, Charlotte of Bournemouth, Carters of Glasgow, Penningtons of Lincolnshire, Nous l'avons of Wolverhampton.

Photographs by JOHN PLAYER

## How Patricia Neal came back with style

Talking to Patricia Neal about clothes seems rather like asking Mrs. Lincoln how she enjoyed the play. When you have clawed your way back from total paralysis after three crippling strokes, when you have buried one child and seen the others buffeted by ill-fortune, when your life can be looked at as an Aeschylean triumph over tragedy, can you be bothered to look in your wardrobe?

The wardrobe was gaping open, then. I arrived at the gabled country house, garlanded with roses, where Patricia Neal lives with her husband, Roldal Dahl. She was packing for the American tour. ("In America the women are very smart, and I am going to look quite wonderful.")

She tours from Alaska, to Texas, to Detroit. ("Or is it Denver? Since the stroke my memory for names is missing.") There she recounts the story of her life, from the overture on Broadway, the plaudits approach to Hollywood, the crescendo of achievement with her Oscar for the housekeeper in *Hud* in 1963 (when she was pregnant with her fifth child, Lucy) which could have been the finale.

Instead, there has been the proud return to acting, and to life. Sixteen years on she wants the audience to catch her own hope and enthusiasm. The story has now been made into a film, with Glenda Jackson and Dirk Bogarde as Pat and Roldal. The film is provisionally called *Gypsy House*, the name of the cottage the young Dahls bought 26 years ago which has now sprouted gargoyles of growth — a big sitting room here, a guest-house there, a swimming pool, but the house for the young couple and the hut in the garden where he writes his sinister and insistent tales.

He is a dominant presence in the house, showing me his

treasures, mostly carved, dark oak twisted into animals, birds or snakes, slithering around mirrors or spreadeagled against the innocent white walls. A fit setting for those uncomfortable children's stories, which he presses on me for my boys, along with signed photographs, a new picture book and a puzzle for them to solve which I have to take on (and fail at) during lunch.

Throughout his wife is serene, thinking perhaps of higher things but more probably of how she can get her new clothes out of the bedroom when he finally (after four returns to show me new things or tell me tidbits of information) climbs the creaking stairs to have an afternoon nap.

The clothes she explains, are exactly what she wanted, elegant for the United States, but not boring, soft and comfortable. They are all from the designer Dora Reisser — five outfits, all new.

She shows me a navy crepe suit, its edge-to-edge jacket cheerily picked out in scarlet braiding, a culotte skirt where one might expect a pleat.

She doesn't worry at all about being 54. "I worry about my weight, and I could certainly lose a few pounds," she admits in her gravelly Kentucky drawl. "I worry about my hair and I go to the beautician. I care how I look in America because there I am really well-known and people expect me to make an appearance. Here I'll go into the shops like this." She points to the green slacks and bright pink silk shirt.

Does Patricia Neal worry, as other mothers, and more so because of the tragedies, about her four children? Daughter Tessa is now married and living in America, Lucy is at college there. She thinks a little wistfully, that they may both stay there. "But you can't go on worrying about children. You have to bring them up and then let them go. If I hadn't had the stroke, I would certainly have worked much

more, and I never had any of these qualms about being a working mother. I was on the brink of a really major step in my career after *Hud* and I wouldn't have stopped for the children."

Titles from her acting career, and of Roldal's publishing successes, are woven into a bag she carries with her everywhere, even though the original tapestry work has had to be strengthened with leather and re-framed. "Roldal's written so many more books now that ought to be on it," she says. The last title in her own career on the bag is *The Subject of Roses*, the film in which she made her comeback after illness.

She feels that she has some sort of mission to tell other people about strokes, presenting herself as proof that you can learn to live again. She thrusts in front of me a medical article. She shudders because her sister suffered a stroke a few weeks ago.

Does she feel that she has had more than her fair share of ill-fortune? "Oh sure. I have had one blow after another and this is another one. But which can you do. You have to get up and go on."

She lurches back into past pain, the son who was brain-damaged at four months when a taxi drove into his pram in a New York street, the daughter, Olivia, who died at seven with measles. ("My friends begged me to get the children inoculated but there wasn't enough to go around.")

I wonder how she can bear to talk about it instead of insulating the past in silence? You have to face it, she says simply as we looked at Olivia's last painting, a collage of fresh colours framed on the kitchen wall.

Perhaps it is not by chance that Patricia Neal's own portrait — strong, serene and little different from how she looks today — hangs directly opposite.

Suzy Menkes' report from the Italian fashion shows will appear on Thursday.

## BOOKS FOR CHILDREN

## Reading is FUN

This is Children's Book Week. Although organized by the Book Marketing Council and sponsored by Lloyd's Bank it is not an event devised merely to sell more books but to advance the idea that the things can be a source of "lasting pleasure."

To judge by a couple of weighty surveys that have just been published we are badly in need of such promotion. The first of these, by Jennie Ingham, is called *Books and Reading Development* (Heinemann, £16.50) and it chronicles her work in the Bradford Book Flood Experiment, which occurred between 1976 and 1979. This curious event called for the "flooding of several schools with books in order to discover (against some equivalent "control" schools) how far the accessibility of a large number of books might improve pupils' reading ability and their enjoyment of reading.

Many people might feel that such a case hardly needs proving, and it is of great interest that Jennie Ingham's survey does not go very far towards supporting that expected conclusion. Through a wealth of fascinating detail we come to see how very hard it is to sell the idea of "reading for pleasure" in circumstances which are often unpropitious. We also find (surprise, surprise) how vitally important is the influence of adults, especially teachers, who can do more by informed enthusiasm than by just filling the shelves with bestsellers.

Perversely, no better proof of this need for fuller adult sympathy can be found than in the other report *Extending Beginning Reading* which has been prepared for the Schools Council by Vera Southgate and research workers at Manchester School of Education (Heinemann, £10.95). A correspondent of *The Times* has already noted the unhappily chosen title for this survey, and the report reflects the largely mechanical attitude towards reading which that implies. Mrs Southgate herself has previously shown an insensitivity to the English language through her editing of *Ladybird Books*. "Well-loved Tales" series, and she and her colleagues now betray a fearfully limited knowledge of the wealth of resources for those who wish to make a child's reading something more than the doleful confrontation with flash-cards and structured reading-schemes.

Among some recent books for younger children, for instance, there are possibilities for enjoyment which have nothing to do with schematic calculations and everything to do with delighted participation. Look at Leila Berg's four titles of "Chatterbooks": *The Hot, Hot Day*, *In a House I Know*, *The Tickle*, and *Our Walk* (£1.25 each). Here, accompanied by photographs by John Walsley, are some beautifully turned little accounts of everyday activities.

And what of the continuing craze for pop-ups? It is easy enough to write off this

particular book-flood as a reflex exploitation of the paper-engineers of Colombia, but at their best the pop-ups offer imaginative challenges rather more thrilling than those of the reading schemes. Take the simple, dramatic story of *Dinner Time* (Gallery Five £2.95), a kind of juvenile "Jaws", devised by Jan Pienkowski, with a cumulation of animals snapping at the reader from the centre of the pages. Or take that revolutionary educational book of the thirties, *The Magic Boat* by Tom Seidmann-Freud, now reissued by Ernest Benn (£2.95), with its linking of ideas about words to play with pictures. In properly sympathetic hands such books can give a sufficient impetus to reading that its beginning won't need to be extended beyond the turning of a page.

## Babies and Cats

Peepo! by Janet and Allan Ahlberg (Kestrel, £4.50)

Welcoming an autumn picture book from Mr and Mrs Ahlberg has become something of a ritual. "The team that brought you *Each Peach Pear Plum*, and *The Little Worm Book*, and *Funnybones*, now brings you... Peepo! and behold, here is yet another charmingly worked out, completely individual picture book. "This time we are in 1940: 'Here's a little baby / One two three / Stands in his cot / What does he see?' and there through a round hole in the opposite page ("Peepo!") he spies Dad sleeping, and when the page is turned, there is the whole bedroom, with all the appurtenances (boots, gas mask case, rubber duck) of a nation at war. Turn the next page and the next peepo is into the kitchen for breakfast, and so on through the day, with children playing, walks in the park, tea-time, and baths before the fire. Eventually bed-time comes round. Corporal Dad is ready to leave, and the altogether jovial baby collapses asleep into his cot. The book, like the day, is a round of quiet, lovingly-gathered experiences.

*The Patchwork Cat* by Nicola Bayley and William Mayne (Cape £3.95)

Very dirty, the Cat's quilt must go. "We shall buy a basket" says the mother. But the cat goes too. He gets in the dustbin with the quilt, is loaded, like Steve McQueen, into a muck-cruncher, and only after a night on the council tip (where there are some none-too-friendly rats) does he find a friendly passing milk-float to take him home.

The story is pure convention, the execution not. William Mayne's text, which is all in the present tense, veers about from the flat to the mannered, via various experiments in Sendakian internal rhyme ("Ah," says the mother, "we have done some snatches on your patchwork"). Nicola Bayley's ornate pictures, with all their customary colourful detail,

make the same determined effort to convert the ordinary to the unique. It's a pretty, and in some ways a satisfying book, but those rats might find it a trifle precious — and the kitchen-larking around the kitchen-sink might think so too.

Brian Alderson

## Well-heeled mice

*The Mouse Who Lived in a Shoe*, by Rodney Poppel (Kestrel, £4.25)

So we are caught up by tradition that the mice actually live in an old chukka boot, but it doesn't sound quite so euphonious. Do mice ever live in high heeled shoes or bedroom slippers? There are ten of them — three generations, and knowing the habits of mice, one isn't at all surprised. Their enterprise and energy (they have been found living on the 15th floor of enormous tower blocks) leads them to build themselves a house in the shoe, a cooperative effort of some dodginess involving (as all building operations do), the consumption of gallons of tea. The prime object of this enterprise was to avoid the attentions of the cat, and in this they are successful. They also have a delightful house, a scale model of which is shown on the very last page, made by the author. It's an enchanting book for the very young, with large, detailed illustrations. I must admit that I'm not happy with mice around. Is that a block of flats I see appearing in one of my wellingtons?

Philippa Toomey

## Plovsnat for tea

Russell Hoban: *They Came From Aargh! The Great Fruit Gum Robbery*. Illustrated by Colin McNaughton (Methuen/Walker, £2.95 each)

Three cheers for Aargh! Three Cheers for Ugh, and three rousing cheers for Russell Hoban, the begetter of these two joyful little books. Most picture books tend to develop along two separate lines, either they offer entertaining versions of the familiar (*How Do I Put It On?* *Rosie's Walk*), or they carry their readers off into flights of fantasy quite outside their lives (*Where the Wild Things Are*). Russell Hoban has a third way. His Green boys make their own magic: a twelve-legged space ship manned by Navigator Blub, Commander Blob and Technician Bleep goes voyaging in search of a new planet which harbours a Mummosaur and the delectable Plovsnat (chocolate cake in everyday language). A Deep Sea Diver deserts his secret cavern "where the kraken groaned and slobbered" to visit the King of the Desert with his wondrous steed Kyrat and his even more desirable gait *frums*, only to be frustrated by the invasion of the baby Turpin on a Roaring Motor-cycle.

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Prince kneels by decorously sleeping Princess from *The Elf King's Bride* by Sally Scott, daughter of Paul Raj Quartet Scott (Julia MacRae, £4.95).

Here is the best sort of fantasy, combining familiar territory with wildest invention, an enriching vocabulary including such satisfactory weapons as *glosters* and *himbles*. "Is there intelligent life on this planet?" demands Navigator Blub. Here is indeed a marvellously intelligent response to a child's need for encouragement in his imaginary games. Colin McNaughton provides exactly the right sort of pictures. He also takes fantasy in a new direction in a book of his own: *If Dinosaurs were cats and dogs* (Benn, £4.75) which indulges every child's fascination with prehistoric monsters by enlarging their familiar animals. Thus a swan becomes King Kong waddling down Fifth Avenue, a mole makes mountains, a dog becomes a dragon and gigantic hens on stilts lay scrambled eggs. Lots of invention, but the pictures are better than the verse.

Kaye Webb

## Dreams of Piracy

*Harry Pay the Pirate*, by Robert Nye (Hamish Hamilton, £4.95)

Robert Nye's previous children's books have been reworked folktales and legends. *Harry Pay the Pirate* is an original story, written in the mode of Nye's adult fiction: lots of jokes; short, laconic sentences; unexplained swerves of plot; sense that the author is condensing his narrative from a fuller version to which only he has access. This enigmatic quality can be both intriguing and irritating. *Harry Pay the Pirate*'s mysteries are as apt to reduce to whimsy as insight.

Never mind: there are compensations. Nye can be stabbingly poetic or off-handedly matter of fact, and has the panache to be both within a short space. His story of how the strange black man Mr Shadow helps Harry Pay fulfill his dreams of piracy never takes itself too seriously; it is a romp, and the absurdity of its plot is part of the fun. If the reader is left with the feeling that this sort of yarn comes as easily to Nye as Harry's "heart's desire" comes to him in the end, at least he carries it off with style. And even when faced with seven-headed serpents, his characters still have time to muse on the pleasure of language. "Belay," said Mr Shadow, sucking his fangs into the belt of his white pantaloons. "That's a lovely word — that belay."

Neil Philip

## Kranky potion

*George's Marvellous Medicine*, by Roldal Dahl. Illustrated by Quentin Blake (Cape, £3.95)

"This book is for doctors everywhere" says the dedication and certainly when young George Kranky mixes up the awful potion which causes his old granny to stretch upwards like a fireman's ladder, you can — if you also stretch a point — draw a rough analogy with some of the more awful doings of the drug companies and the doctors. When it comes to motives, however, the analogy collapses utterly. Whatever may spur the medicine men to those activities of which added suffering is the by-product, it is not — at least

not yet — active and intentional ill-will. George, however, as he reaches for the hair shampoo, nail varnish, sheep dip, etc, is moved by almost nothing but his mind. You can see his point: dear granny is a terrible old harrier in whose grandchild murderous hatred seems the only proper response.

Having extended her much higher than the house, George then tries the potion on his father's farm yard animals with what might be called gratifying results for breeders everywhere: chicken being the price it is, a hen the size of a small elephant had something going for it. Dad is overjoyed, but attempts to duplicate the mixture lead to some less happy consequences, including — though this can hardly be called unhappy — the disappearance of a grand. And really that is that. Like its precursor and companion, *The Twits*, this is a book which makes much, and tries to make a virtue, of exaggerated heartlessness as if Mr Wonka of Chocolate Factory fame had been deprived of everything except his talents for rudeness and brutality. Rather like George's medicine, the first time round the effect was quite surprising in a really bracing way, but the second time it will not do, and the ending points this up: "For a few brief moments he (George) had touched with the very tips of his fingers the edge of a magic world". Not in my book.

David Wade

## Upstairs from Holmes

*Arthur and the Purple Panic*, *Arthur v. The Rat* (Robson Books, £2.95 each)

Here are two further adventures of Arthur, William Fookitt, the boy who lives upstairs from Sherlock Holmes and Dr. Watson — a "bright lad" and a "detective himself". The plot is as thick as a pea-soup, and anyone fancying a rational view and disentanglement should go away and try a nice quiet dictionary. Called in by Queen Victoria (herself) to help, Sherlock Holmes finds himself baffled. Inspector Leegrade is baffled. Dr. Watson is, of course, baffled. Why would the principal statues in London be painted purple? Why indeed? It's jolly stuff, and I hope that no one gets the idea that the Eiffel Tower really had anything to do with it.

Having been voted *The Worst Village in England*, Lower Stoommumbling had lost its sense of pride. At the station the porter was a pig, assisted by a mouse. Arthur, arriving in this vale of tears by accident, decides that the village shall rise again, and in a campaign to cheer everyone up, sets up a cricket match against the insufferable "Upper Stoommumbling" (*The Best Kept Village in England*). Some nice cricket jokes (the word *googly* is Lower Stoommumbling for "idiot") and the whole book is a hymn to the virtues of Public Relations, and will no doubt encourage many a tip into that noble profession. Fans of Arthur will no

doubt seize on the ninth and tenth instalments with rapture. The rapture was modified, in my case, at 64 pages I found the story too rather a long time to tell, but then haven't played cricket for years and I'm not a Holmesian or a small child.

Philippa Toomey

## Milly Molly Mandy

*The Joyce Lankester Brisley Book*, edited by Frank Waters (Harrop, £4.95)

March 31st 1911.... "Write to Lord Northcliffe asking if it would be possible for him to see us on Wednesday, April 5th." The diarist was 15 years old, and when they met, the formidable press Lord was charmed with her and her 13-year old sister, just as he had been impressed by their homemade magazine *The Wanderer* when chance had brought it to his notice. But he wasn't ready to allow them a career in his newspapers.

Instead he handed out sweets and recommended the two "clever little girls" (Joyce was six and her sister, Miss Brown, the Editor of *Home Chat*). Frank Waters, the Editor of this surprising and agreeable book, has discovered a precious clutch of diaries, and from these he has culled that far from being a comfortably reared gentlewoman with a talent for writing, the creator of Milly Molly Mandy, and her two sisters, suffered from an overbearing father who denied them schooling and kept them shut up at home in Bexhill studying encyclopedias and depending on their own inventions for amusement.

At any rate, when the mother and daughters were obliged to flee to a new but penniless life in Brixton it was necessity which had Joyce and Nina contributing little drawings to *Home Chat* (6p for six in the early days, rising to a guinea six years later), and it was while Joyce was working at a dull commission that she drew "a row of country folk in their working clothes, and right at the end, a little girl in a striped top" and later, just as idly found herself wondering what sort of little girl she might be and working out a story about her. This went off to the *Christian Science Monitor*, was accepted, followed by another and then as young fans were demanding more she wrote *Milly Molly Mandy*, a professional story teller.

It would have been interesting to read their letters and identify exactly why Milly, that good and obliging little girl, leapt into their hearts. As well as Milly and Bunchy stories and an extract from *My Bible Book*, this anthology also offers her only full length novel, *Martold in Godmother's House*, but I found her touch with fantasy less sure and it is for the spontaneous gaiety of her short tales that Joyce L. Brisley will continue to be read and loved by many another generation.

Kaye Webb

## THE OTHER AWARD

Coinciding with the run-up to Children's Book Week news has arrived of the winners of this year's Other Award. Given for "inspiring books of literary merit" this is always the most entertaining and unpredictable of our children's book awards, and this year's choice of commendations is well up to standard: A Strong and Willing Girl, Dorothy Edwards' set of stories about a Victorian girl going into service (Methuen £4.25); What is a Union?, Althea's assault on metaphysics in 24 colourful pages (Dasson £1.85, paperback £0.70); Ruth Thomson's jolly guide to menstruation *Have You Started Yet?* (Heinemann £3.50); and some text-books which "reflect unselfconsciously the multi-racial composition of the British Isles". The Terrence House Books by Peter Heaslip (Methuen Education £2.50 per set).

## Living landscape

*The Hollow Land*, by Jane Gardam (Julia MacRae, £5.25)

The first paragraph of Jane Gardam's *The Hollow Land* reveals a distinctive, familiar voice. The disconcerting thing is that the voice is William Mayne's, not Jane Gardam's. All down the page where I live there's dozens of little houses with grass growing between the stones and for years there's been none of them wanted."

Despite this stylistic and thematic debt, *The Hollow Land* is a remarkable book. The hollow land is the Cumbrian fells, pitted with old mine-workings, caves, tunnels. It is a model of human life, of the old, unfinished borings and diggings of the past unobtrusively shaping the present. Just as the past can erupt in the present, so the land gives itself a shake every now and then, in response to some subterranean impulse. "It was a little shift when my grandad flattened his leg. In light trees' Home Field. It just suddenly ripped about and threw him down."

The speaker there is Bell, whose family have farmed the land they live on for centuries; the listener is Harry, whose London family has leased Light Trees farm for holiday use. The interweaving of their two cultures and languages over the years is one of the themes of the book's linked stories. The point of these stories is never quite where the reader is looking; it lies not in statements but in cadence. In the prose, something is very gently asserted: the value of a tradition to which the concept of "progress" is wholly alien. In the last story, set after "the Crisis", life goes on as it always has.

Jane Gardam's ear for individual patterns of speech is acute; speakers are safely left unnamed. The dialogue is precise enough to convey both the social surface and the emotional undercurrents of a scene; the dry land and the secret water underneath.

Neil Philip



## THE ARTS

## Television

## A tragic biology

Legionnaire's Disease is a name that evokes confused images in my mind. I find it difficult to dissociate it from the affliction of too many desert days for those redoubtable chaps in P. C. Wren's stories, whereas its current connotation is not at all romantic. It entered the consciousness of 12 members of the American Legion following their 1976 get-together, and became an emotive headline over here as the scourge of Spanish holidays and even a sinister presence in our own midst.

The initiative that led to its identification came from the American Legion, who alerted the US Center for Disease Control to the possibility of a connexion between deaths that might otherwise have been taken as coincidental.

Thus started the hunt for the Legion Killer, the title of last night's *Horizon* (BBC2). The CDC, the largest germ-hunting body of its kind, spent 50,000 man hours and 50m trying to track it down. Comparing the symptoms of survivors, probing round the Belle Vue Stratford, the luckless hotel which seemed to be at the seat of the trouble, in fact leaving no stone unturned.

Despite all this biological sleuthing, they came in for much undeserved obloquy from the press and investigations by two congressional committees. Fortunately a micro-biologist, Dr. Joseph McDade, on the track of another troublesome organism, happened to shift his microscope about a bit and find the rod-like organism which proved to be the cause of what the American Legion — who had by this time erected a monument to their casualties — were quite keen should be called Legionnaire's Disease.

CDC, exonerated, set about examining the characteristics of this organism, discovering in the process why it had proved such an elusive quarry: it was new to science, a new species of a new genus, named, somewhat disarmingly, *Legionella pneumophila* — lung-loving legionnaire. After the what came the how.

American evidence suggested air-conditioning as the spreading agent but in July, 1979, after an outbreak at the Churchill House in Oxford, it was shown by the Public Health Laboratory at the John Radcliffe Hospital that the bacterium could lurk in ordinary tap water. This broadened the research field and methods of controlling the disease and treating it were developed.

In Britain there are 1,000 cases a year and one in ten die. *Horizon* pointed out that deaths from other types of pneumonia are 55,000, thus putting the headline-stealer into some perspective.

The producer Dominic Flessa's programme was assiduous, dramatic and censorious at the close about newspapers, comedy records, the difference between a virus and a bacterium, a piece of biological ignorance I find entirely understandable.

Dennis Hackett

## Galleries

## Kurt Schwitters in Exile: The Late Work, 1937-1948

Marlborough Fine Art

Eileen Agar

New Art Centre

The later career of Kurt Schwitters — his whole career, indeed — is such an extraordinary human story the danger is that its fascination may distract us too much from balanced study and evaluation of his art. We all sympathize, after the event at least, with the spiky individualist who has to follow his own vision however misunderstood and rejected he may be. We sympathize even more with the political exile, especially if the circumstances of his exile left him totally isolated, obscure and impoverished.

And it, despite all these disadvantages which would have been enough permanently to discourage and immobilize a lesser man, he kept right on working, with obsessive intensity, at projects which he had no reason to suppose any understanding eye would ever see, just because his demon drove him: well, that surely makes him a hero of our time.

It does not, of course, necessarily make him a good artist. He might always be like Benjamin Robert Haydon, a genius who unfortunately had no talent, but who, in the circumstances, would dare to say so? In Schwitters' case, the opportunities to work out answers to these thorny questions have not been so readily available.

Marlborough Fine Art, who are the agents of the estate, have of course had small shows and regularly included works by him in their mixed shows. But the challenge of a major retrospective is something else again. It is comforting that now the gallery has accorded him that, a very concentrated show of more than 150 works, on until October 31 — Schwitters emerges from it as not only a more substantial artist than I, Churchill House, had suspected, but also a far more complex and likeable figure.

Schwitters was born in Hannover in 1887, and followed a quite conventional course of artistic studies at Dresden Academy, and the 'Royal Gymnasium'. But in his twenties he came in contact with forward-looking contemporaries like Kandinsky and Marc, and though Rembrandt was still his favourite painter he began to develop on his own account ideas of art which were far wider and more inclusive than could be contained within the historical genres. He was amicably linked to the Dada movement and shared to the full their irreverent sense of humour and enjoyment at creating outrage in others. But the first expression of his Merz ideal, of three works he labelled *Merzbau*,



Schwitters's 'With a Small Blue Horse', a collage of 1937

was begun in 1915, as an expression less of iconoclastic rejection of the traditional art forms than of 'an almost mystical vision of unity in which all forms might be fused into one.

The first *Merzbau* was to occupy him for ten years, and gradually take over three floors and the basement of his house with a sort of column made up of painted and sculpted sections containing objects, bits and pieces of discarded machinery, tin cans and waste paper. *Merz*, a term derived from a scrap of paper with half the word *Commence* on it, stood for something like what Kracauer calls, in relation to the cinema, 'the redemption of physical reality' — nothing conventionally regarded as waste could not ultimately be used.

When the political situation in Germany began to get too uncomfortable for him, at the end of 1936, his first thought was to go to Norway, where he had spent a number of productive working holidays. He lived in a suburb of Oslo until the German invasion in 1940, and built the second *Merzbau* in a garden shed there. Fleeing to England, he

was promptly interned as an enemy alien, and kept in various internment camps for 17 months.

Though he was socially popular, he was artistically fairly isolated, because, though there were other distinguished artistic figures among his fellow internees, they mostly failed to see the relevance of his personal brand of Dada in those dark days. Released in 1941, he lived for a while in London but discovered Ambleside during short holidays, and in 1945 settled there for the rest of his life.

These last three years were a time of total obscurity, and extraordinary humility in his unquesting immersion in art. Schwitters, grudgingly poor, because it was part of the local landscape, mildly eccentric, well-liked, turning out art to please others — portraits and landscapes as some genre for food and medical attention — and to please himself, especially in the form of the third *Merzbau*, constructed in a remote barn and left unfinished at his death.

What one would not necessarily expect from the recital

of this exemplary life is that the works themselves are so approachable. Of course, though Schwitters was

throughout most of his life, it was less from rigid intellectual conviction than because he just could not help himself. He never rejected anything. It would have been false to the concept of *Merz* to do so — and that went as much for representational painting, Rembrandt and the pleasure-principle in art as for tin cans and bus tickets. So, his collages are full of chance and humour and the most delicately precise colour sense: he is not making any point with them except that these little scraps he has plucked from the burning are as beautiful, as enjoyable, as art for artistic re-use as are all the more traditional materials.

When they blossom into relief, the same thing applies: it may be the fragility of things which is dramatized, by the inclusion of little bits of cotton-wool, or it may be mutability observed. Were the nails in the Nail Picture of 1939 rusted when Schwitters put them there? No matter. Things change.

and the picture is as much about the process of change as it is about preservation from change.

Some of the collages (though not most of them) have literary connotations as well. Either the fragmentary texts incorporated ask to be read, or the comment is made by the modification of a recognizable image, such as the photograph labelled 'this was before H.R.H. the late Duke of Clarence and Avondale. Now it is a Merzpicture. Sorry!' or *Time Off*, a sentimental nineteenth-century painting of peasant children with a glamorous picture-story about Rita Hayworth's fragmented and superimposed on it.

In the same way, most of the pure paintings by Schwitters in the show are abstract — some a bit fuzzy and uncertain, compared with the collages — but there are also some fine, rather academic Norwegian landscapes and excellent portraits from the Lake District days exist, though none is included here.

Schwitters was truly an all-inclusive artist, whose coincidence with local German formalist realism worked entirely (as of course surrealism was supposed to) to liberate him from the trammels of traditional ideas.

Surrealism also had its effects — mostly fairly minor, to be sure — on British art in the 1930s. Anyone who has visited the present show of British Sculpture 1900-1950 at the Whitechapel Art Gallery will no doubt remember as one of the most evidently liberated examples Eileen Agar's strange and powerful *Angel of Anarchy* (1940), a head swathed in cloth and covered with a Merz-like profusion of feathers and beads and tufts of hair. Eileen Agar, a leader of the short-lived British Surrealist movement, today, at 77, she is still as busy as ever, and a selection of recent oil paintings, plus paperworks in collage and watercolour and, again, collages, are on show until October 27 at the New Art Centre, Sloane Street.

The paintings are all brilliantly coloured, and mostly contain readily recognizable figurative elements along with others, which, whatever their origin, have been reduced to decorative patterns with no more than a vaguely associative link with external reality. They mostly have a kind of dreamlike quality, like *The Dark Wood*, *War Bird* and *Sleepwalkers*, but I imagine we are not supposed to seek any too definable programmatic significance, but just let the happy accidents of colour and form and textures work on our unconscious minds: to that extent, Agar is a surrealist. The paperworks are all smaller, and offer uncomplicated delight.

Agar has a skill and subtlety in the use of collage (often as an almost unmodified element in a watercolour or crayon drawing) which almost match Schwitters' own. The freedom of collage is still there: the pleasure-principle rules.

John Russell Taylor

## Music

## LPO/Eschenbach

## Festival Hall

Prizewinners of illustrious musical competitions were on show at the weekend. I heard this year's Leeds winner on Friday, Ian Hobson, and last year's winner of the biennial Carl Flesch violin competition, Barbara Gorynska from Poland, made her Festival Hall debut on Sunday, in the concerto which clinched her victory, Mendelssohn's in E minor.

It begins restlessly, for all the Mendelssohn's of the long principal theme; Mendelssohn told the dedicatee, Ferdinand David, that "the beginning gives me no peace" and that is surely how it should sound. Miss Gorynska evidently thinks otherwise. She played that marvellous tune very smoothly, as fluently as oil and butter (the simile was Richard Strauss's), almost unphrased in an unbroken lyrical line, perfectly lovely and quite devoid of the passion prescribed by the composer.

There were signs of urgency, a desire to move the pace forward, as the melody proceeded, but the tempo slackened for the second subject, and throughout the concerto she favoured variable tempo for the principal contents. I certainly do not believe that there is only one correct tempo for every piece of music; but this performance veered between eloquence and ineptitude — for example the second movement and finale sounded much more

convincing than the principal subjects.

It was a matter of musical characterization as much as tempo variation, the soloist telling us, with charming naivety, which passages she preferred, and which had to be endured. That sounds like a temperamental attitude, but her reading revealed little personal commitment to the music, chiefly a range of bright, beautiful violin tone and a mastery of technique, with some unevenness of rhythm and dubious intonation in the margins, as it were. She was sensitively accompanied, especially by the woodwind of the London Philharmonic Orchestra, and its conductor for the evening, Christoph Eschenbach.

By themselves they gave us Schubert's Unfinished Symphony, an interpretation that obstinately refused to forsake heaviness (and inexact tuning) for the visionary lyricism which is the music's special quality. The two movements are better contrasted if both go a little faster than Eschenbach wanted; at his chosen tempi, both required more of contrasting sunlight and shadow.

After the interval, the London Philharmonic joined them in Verdi's *Four Sacred Pieces*, singing well below the lofty standard we expect of them, never quite clean in sound, or radiant in the outbursts. Nor did Eschenbach show special enthusiasm for their often difficult but superb music. The awestruck confessions sounded blatant, the climaxes restrained.

William Mann

## Monteverdi Orchestra/Gardiner

## Queen Elizabeth Hall

Current orthodoxy on Haydn holds that it is his six late Masses rather than the London symphonies that crown his symphonic achievement. Fairer, perhaps, to see them as complementary, for the Masses lack, by and large, the symphonies' abstract purposefulness of organization, offering instead a new synthesis of old-fashioned ecclesiastical counterpoint with modern symphonic energy, held together by the words and above all by Haydn's joyous, indeed blazing, conviction.

That conviction was potent enough in John Eliot Gardiner's reading of the 'Theresienmesse' on Sunday. Brisk tempos for the choral numbers, powerful, uninhibited attack and linear strength ensured that the fugues rang out as they should; also that Haydn's pictorialism, his heavy accents on 'peccata mundi' or the jubilant cries of 'Osanna' — carried its message. The distinctness and vigour of the brilliant violin figuration that shines through the work added to the impression of confidence and high good cheer.

But there should be touches of introspection, too; if Mr Gardiner sometimes seemed to be playing the 'Theresienmesse' in the classical idiom (as he does not in his baroque counterpart), the soloists supplied much of what was needed; I admired Catherine

Denley's steady and shapely line and her well focused contralto, Patricia Kwella's gorgeous soprano notes, William Kendall's capacity to project his rather tight tenor through the ensemble to just the right degree, and Rodney Macann's firm, sensitively used bass.

The choir was also splendid in *The King Shall Rejoice*, Mr Gardiner's characterization of Handel's music seemed particularly convincing; witness the taut, resilient rhythms of the opening, the softer colours of the middle part, the propulsion of the final fugue music.

He is less familiar as a conductor of classical orchestral music. This is, of course, a different Mr Gardiner from the one who finds new truths in the limitations imposed by contemporary instruments; he was using a modern chamber orchestra, and in Haydn's Symphony No 48 he was quite properly using it for what it was. There was occasional unkindness in the finale, too, speedily to be as pointed as it may be, and the first movement; and the minuet was quicker than Haydn's Allegretto or his notes implied. But in the first movement, in his handling of expressive music in the classical idiom (as he does not in his baroque counterpart), the soloists supplied much of what was needed; I admired Catherine

Stanley Sadie

## Interview

## Masterly method in Brooks's madness

"There are always people who are afraid of the scatological, of what we call 'bathroom humour'. But that's not what this film is about. It's about history, what happened before and after, and they're allowed to happen again."

With that typically ringing declaration, Mel Brooks rushes to the defence of his eighth film, *History of the World Part I*, which opens in London this week. A Brooks tour of carefully selected (and grossly distorted) world highlights, *History* includes a chorus line of hooded monks introducing the Spanish Inquisition by singing "The Inquisition, let's begin the Inquisition, look out sin" and a cameo of the Last Supper with John Hurt as Jesus and Brooks as a waiter asking "Separate checks?" The material marks a return to one of Brooks's first successes, the classic comedy records he made with Carl Reiner, based on the character of "The 2000-Year-Old Man". As usual, Brooks is the film's producer, writer, director, star and joint composer.

"There are only two directors in America with total freedom — me and Woody Allen," Brooks says. "They leave us alone. There's a tradition in Hollywood that comedy is something mysterious, a kind of black art. If you find someone who can do

it, you don't interfere. Of course, you don't take it seriously either. They don't give Oscars to comedies."

Brooks (who has actually won two Oscars, for his short film *The Critic* and for the screenplay of *The Producers*, shown on BBC last Saturday), has always been Allen's comic opposite. Brooks's belly laughs contrast with Allen's urban wit; he makes fun of the body when Allen makes fun of the urban mind. The result has been that Brooks commands a much wider audience than Allen, but has also been regularly snubbed by the critics for his lapses in taste.

"That's true," he shrugs. "But look at what Pauline Kael wrote in the *New Yorker* about *History of the World*. 'Either you get stuck thinking about the bad taste or you let yourself laugh at the obscenity in the humour as you do at Suetonius's perverse dirty jokes.'"

It is a comparison Brooks clearly relishes. A short, compact man possessed by a near-maniac degree of nervous energy, he is known in private both as a non-stop funnyman and a closet intellectual. He claims his favourite light reading consists of classic Russian novels and his serious side surfaced publicly when he produced *The Elephant Man* last year.

While Brooks's comic talent has long been recognized — he started in showbusiness as a teenage drummer — he was in his forties before he became a star. Before he broke into films, he was a television writer in New York, where his friends included the novelists Joseph Heller and Mario Puzo. Together with the part-time sculptor and textile mogul Speed Vogel, the writer George Mandel and the Chinese artist Ngoot Lee, they formed an eating club which met on Monday nights at selected Chinese restaurants. Carl Reiner, an occasional

Mel Brooks as Moses, one of his five roles in *History of the World*

guest on his visits to New York, his computer adviser, favourably with the famous Algonquin Round Table of the 1930s.

Mario Puzo recalls: "When Mel moved out to California he really missed our dinners. Every time he came back to New York he'd make sure he ate with us. One night he arrived late and we'd gone to the restaurant. He telephoned all our families to find out where we were and nobody could tell him. Then he phoned every restaurant we used to eat at until he tracked us down. He rushed over, we welcomed him with open arms, he sat down, drank a bowl of soup and ran out. He'd spent three hours finding us and about 20 minutes at dinner. That's typical of Mel."

Speed Vogel, who has known Brooks the longest of all of them, remembers when the two men were roommates, at a time when both of them were between marriages.

"Mel always had trouble sleeping and then, after he got to sleep, he didn't like to get up until noon. I'd sleep normally and get up to go to the office and find these messages scrawled all over the walls: 'You snore, you son of a bitch, you snore!' At the time I was going with the woman who later became my second wife, and on the nights when I saw her, I wouldn't come back to the apartment until noon, the next

day. Mel would get up and say 'You had your breakfast. I didn't. You've eaten and I'm starving.' I'd start by telling him 'There's the fridge, there's the orange juice, there are the eggs, make yourself a sandwich and eat it up by five, breakfast for him.' Then it hit me. I was treating him like a wife. I couldn't believe it. Meanwhile, Mel is telling all this to Neil Simon, and I think that's where *The Odd Couple* came from. When it became successful, Mel started referring to Simon as 'that swine'."

The point of almost all Mel Brooks stories is that, however funny he can be, Brooks is also slightly crazy. But there is a method in his madness. Even when his films seem designed to offend virtually everybody, the bursts of his outrageous jokes are always cruelly, unjustly and intolerant.

Brooks's first film, *The Producers*, was restricted to a cult success, the now-own's outright along with *The Twelve Chairs*. "They're like my children. I'm going to take them home and cuddle them on my lap for a while."

It was not until his third film, the spoof western *Blazing Saddles*, that the money came rolling in and Hollywood took notice. Now, Brooks says, "I can get any studio to finance my films until they see the deal. Not only do I want the ultimate control, but I also want my

share, which is unorthodox. I want to make a simple deal. I provide the talent, they provide the money, and we share the profits 50-50. No overheads, no percentages, no distribution fees, no interest. You could write it on the back of an envelope. It's that simple. They say I'm unreasonable. Actually, I'd like to get back to the barter system. There are too many middlemen. I don't want to exchange any more money. I'm glad to pay in humour. I'll keep a surgeon in stitches if he'll keep me in stitches."

Brooks flows on in the stream of consciousness trademark. "Dom de Luise keeps me in stitches. He does an imitation of his father, who was an old Italian man. His father had a dog with a crooked tail, so he cut its tail off. Then he could never understand why the dog didn't like him. 'Why's this dog not like me? What's a matter? I eat a too much garlic.'"

Asked to predict the reaction of the British critics to *History of the World*, Brooks turns serious again. He thinks for a moment and says: "I don't care what they say because I'm going to fix all that in my next film. I'm not going to offend anybody. I'm going to make a movie specifically to please my critics. No one in it will have any arifices."

Joan Goodman

## London debuts

## Technical assurance

Richard Dobson (flute) and Keith Marshall (oboe) shared their debut recital, with Iain Ledingham as keyboard accompanist. Whether playing together or alone, whether in the seventeenth or twentieth centuries, they both showed fluent technical assurance and alert musical intelligence.

Yet it was Richard Dobson who made one sit up and listen: the swaying grace and rhythmic assurance of his Telemann sonata, the mischief inside the deftly negotiated flights of fancy of Gerhards' "Capriccio", revealed an individual character in his playing. Keith Marshall had not yet quite found. The latter's performance of Gyorgy Rant's "Don Quijote y Dulcinea" pointed a need to soften, personalize and make more flexible the somewhat inflexible oboe which, as his Bach oboe sonata displayed, he has already such admirable technical mastery.

Elizabeth Hall's piano recital was expressively reticent to the point where both the notes and the attention of her audience came seriously near to being taken completely for granted. Miss Hall has a touch sensitive enough to be the vehicle for a far greater exploration of dynamic and textural quality than she revealed in either her Domenico Scarlatti or her Debussy, while her Mozart, Schumann and Liszt suffered from an inability to temper physical with imaginative energy. Miss Hall needs to research more of the music and of her instrument in order to create enough interpretative confidence to prevent memory lapses and to convince us she has something worthwhile to say.

By far the most memorable debut of the week, indeed one of the most stimulating and regenerating concerts of the entire month for me, was that shared by Robau de Saram

(cello and Kandyann drum) and the Cantamus International Girls' Choir from Mansfield, making their London debut under their director, Pamela Cook.

Not only did these 37 girls, aged between 11 and 19, present entirely from memory the London debuts of five new works (Osborne, Macanochy and Konstantin Ilijev, then commissioned by them, but they performed them with a quite outstanding control of dynamic level, pitch and diction.

The young Belgian soprano Gerda Lombarts lit everything she sang with a warm radiance of personality and vocal timbre that showed her admirably undeterred by the mere sprinkling of an audience. Here is a firm, even, fluent lyric soprano whose easily intuitive, musically intelligent phrasing showed particularly well in her Fauré and Poulenc songs.

Hilary Finch

Rachel Beckett gave carefully prepared readings of Handel's six Sonatas for Recorder and Continuo, and proved to have an excellent technique, playing without any suggestion of haste even in such movements as the Presto of the G minor Sonata in B flat. Yet she is rather fidgety on stage and this tends arbitrarily to alter the tone colour as the instrument is jerked up and down.

This also disturbs the ensemble balance, which was regrettable, as the continuo parts were neatly performed by Melvyn Tan (harpichord) and Anthony Pleasant (cello). Their ensemble was notably secure, however, even in the D minor Sonata's Presto. Mr Tan played a David Rubio copy of a Guadagnini instrument which had a light tone, bright and delicate.

Mary Sadovnikoff used a fortepiano made by Michael Rosenberger in Vienna around 1800. Quiet-voiced, it sounded remote, its tonal quality poor though its suspect other players could have drawn greater variety from it. Mozart's A minor Rondo was

hesitant and seemed diminished in size and interest, both the harmony and vocally derived figuration having much less than their usual effect. Nor was Miss Sadovnikoff at all sure of herself in the same composer's Sonata in the same key; it is wisest not to ignore the "maestoso" in the tempo direction of the first movement.

However, the D major Sonata K311 was a little better, although the distinction between quasi-orchestral and other passages disappeared.

Max Harrison

There's a Devil in each of us.

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# How Playboy turned the tables on itself

The loss of its two principal London casino licences, if upheld on appeal, would be a catastrophe for Playboy. Gaming Board objections are already outstanding against its other London casino, the Victoria, and its provincial clubs in Portsmouth and Manchester, and yesterday's decision of the South West Minister Licensing Justices that the company is "not fit and proper" to conduct gaming jeopardizes severely its chances of obtaining a permanent licence for the lavish new casino-hotel it has just opened in Atlantic City, in America, at a cost of \$135m.

In their last full year of operation, Ladbroke obtained 55 per cent of group profits from its casinos and Coral 33 per cent. But no less than 97 per cent of the Chicago-based Playboy Enterprises Inc's pre-tax profits came from its London casinos and, as our chart shows, in previous years they dropped up the entire group, the rest of which was running at a large overall loss. Coral collapsed when the cash-flow from its casinos dried up, and the future of the Bunny empire now looks extremely rocky.

That a decision involving millions of pounds should rest with a bench of lay magistrates, while minor wrangles over a few thousand pounds invariably command the full majesty of the High Court, is a quirk of the Gaming Act.

That is not to say that the five Justices who presided over Playboy's fate during the last three weeks were anything but diligent. Lascivious spectators hoping for a public airing of the meth-

## Casinos: key to Playboy's profitability

Analysis of pre-tax profits (source: Annual Report to Shareholders for 1980)

(All figures in US\$ x 1,000)	1980	1979	1978
Magazine publishing	14,744	11,304	11,132
Clubs & Hotels	(4,937)	(478)	(3,429)
Other businesses	2,743	(6,311)	(3,077)
Corporate administration and promotion	(18,458)	(15,743)	(13,347)
Interest, net	6,112	2,990	449
Foreign exchange	441	1,149	982
Other, net	237	—	—
Casinos	31,196	34,926	23,874
Total	\$32,078	\$27,836	\$18,994

Figures in brackets indicate outgoings/losses.

ods by which Bunny girls acquire fur coats and Ferraris. (and, more recently, the attentions of the Inland Revenue) may have been disappointed by a line-up of witnesses that included three chartered accountants, two solicitors, one admiral and no Bunnies at all, but the magistrates remained attentive, formal and courteous throughout the 11-day hearings.

Playboy was largely successful in countering the detailed allegations levelled against it, and made limited admissions on those that remained. Fielding no less than three QCs and two juniors, it conceded that, between 1975 and 1977 there were occasions when members drew cheques on banks where they had no account, and that this occurred with the knowledge of manage-

ment, but Mr Robert Alexander QC was at pains to point out that this had to be viewed in context.

Between January 1976 and June 1981, Playboy's casino turnover was a staggering £660.3m. Of this, £344m was in cheques (£250,853 of them) and £224m worth were dishonoured. Of an Arab merchant named Beh-Behani from whom Playboy accepted valueless cheques totalling £2m it was pointed out that he had honoured others totalling £16m. Currently, Playboy is owed £9.9m. There were 492 no-account cheques involving an aggregate of £2.693m.

Other admissions included the fact that Clement Freud MP had gambled in both casinos while a director and trustee of the company, that certain gaming debts had



Clement Freud: a Playboy director and trustee criticized for his gambling

been settled at a discount, that eight hall porters at five London hotels had been given free membership to enable them to bring in residents at their hotels as "guests", and that a Lebanese member, Abdul Khawaja, had been permitted persistently to "misbehave" in the casino.

The Metropolitan Police and the Gaming Board argue that the scale on which Playboy accepted worthless cheques constituted a deliberate scheme to advance illegal credit to members, that the method of Freud's gambling (as well as the fact of it) had been irregular, that Khawaja had been a procurer of Bunny girls for immoral purposes, and that Playboy had deliberately misrepresented to the Gaming Board the true indebtedness

of its members to the club. This Playboy disputed. The irony of the whole case, it emerged, was that although the detailed allegations and admissions were serious they were not necessarily fatal to the licences, but the steps Playboy took to deal with the objections probably were.

The Gaming Act 1968 was brought in to subject casinos to proper control after their legalization in 1960 had led to a mass arrival of American Mafia interests. The Act introduced licensing and prohibited foreign control of British casinos.

Uniquely, Playboy was permitted by the Gaming Board to circumvent this by setting up a trust in Britain. This held the shares of Playboy's London company under the control of trustees resident in England, for the benefit of the parent company in Chicago. Control was thus supposedly vested in Britain, and the trust undertook never to alter the company's articles of association without the Gaming Board's prior consent. Only on this basis did Playboy acquire its licences at all.

Last April, however, Hugh Hefner, Playboy's founder and group chairman in Chicago, reacted to the initial police and Gaming Board objections by firing his London supreme, Victor Lowmes.

Lowmes was not only chairman of the British company but a trustee as well, and firing him was both an exercise of foreign control and was effected by altering the company's articles of association without the consent of the Gaming Board. It showed, indisputably, where the real power lay, and the

Gaming Board reacted by filing further objections incorporating these points and objecting to Lowmes's successors, who have no casino experience.

Not surprisingly, Lowmes, who emerged unscathed from the licence hearings, considered his dismissal a mistake. He commented recently: "I really think that the breach of the trust is the most serious of the violations of confidence that the Playboy people have to face."

"This (trust) is set up to give absolute assurance that at all times the people who managed Playboy's casinos here would be the same people who could be held responsible for the management of Playboy's casinos here, and that the people off in Chicago and Los Angeles, and other American hotbeds of violence and crime, would have nothing whatsoever to say about how we were doing and running the casinos."

"I suppose they panicked when they heard that there were some objections, albeit paper ones, that were flung at us in connection with their licence renewals, and then their true hand was manifested and they came charging in to take over everything."

The Gaming Board's counsel, Mr Simon Tuckey QC, was more pithy. "I have no doubt," he told the Justices in his closing speech, "that people will be saying, how could they be so silly as to interfere when by doing so they risked killing the goose which is laying their golden eggs."

Douglas Bell

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# Sir Geoffrey keeps the brakes full on

If you believed the Government, you would think the latest round of interest rate increases was something which had blown in from across the Atlantic. Very regrettable, of course, and bound to postpone the recovery which was about to start at any second, but something which is essentially nothing to do with the policy being pursued here at home. Indeed, the Chancellor, Sir Geoffrey Howe, argues (with some justice) that lots of other countries are only now starting to move down the road which we in Britain began some years ago.

The truth is rather different and it points up the key difficulty in its economic strategy which the Government will face as it enters the second half of its term of office. It is something which is the real source of the Government's belief in the (Times) is so alternative. Not simply that the Government's recovery is not guaranteed over the next year by the Government's policy; it is all but ruled out. For by whatever route it comes, an economic recovery would run into the Government's pledge to hold down the money supply. Examining economic forecasts and getting involved in theoretical debates about whether or not a recovery stimulus is beside the point. No economy will recover naturally if the government of the day stops it doing so.

Yet that, it is now clear, is Government policy. The flurry over exchange rates has diverted attention from the fact that the Government would have had to raise interest rates in any case to meet its monetary targets. The announcement of the first increase in interest rates said that one factor was an increase in private lending by the banks. Yet that kind of lending, whether to individuals or to companies, is essential if the private sector is to fuel a recovery.

So by raising interest rates to curb this kind of bank lending, the Government is simply imposing an old-fashioned credit squeeze. Perhaps the easiest way of seeing what this means for the economy as a whole is to go back to the Government's medium-term plan, the one which the Chancellor has so far always done at moments of decision like this year's heavily deflationary Budget.

According to the terms of that plan, money supply is to be allowed to grow by at most 10 per cent this year and (subject to review) nine per cent next year. If you look on these figures as being a sort of national cash limit, which is not too bad a way of interpreting how the Government now sees them, that means that inflation and growth added together ought to be about nine per cent next year.

Mr Nigel Lawson, chief intellectual defender of the Government's strategy when he was at the Treasury, went out of his way to explain things in these terms after the last Budget. He pointed out that in the year to next spring, money supply is being allowed to grow by 10 per cent, inflation was expected to be only eight per cent and the left room for significant growth.

Unfortunately, inflation is now expected to be more than eight per cent by next spring; so the margin for considerable growth has gone. Even worse, the year after that, there seem few signs that inflation will fall further. So the national cash limit will be getting tighter as the Government's medium-term financial plan works its way through while inflation is not likely to fall sharply.

That means that on the Government's own analysis there is no scope for a sharp recovery unless the Government falls much more quickly than anyone is predicting. If inflation does not drop, then, in terms of the Government's belief, that will show that the economy is not ready for recovery. The fear that the sacrifices of the past two years could all turn out to be in vain is very great. A recovery which started in

flation rising again would seem to confirm all those fears.

What does this mean for the battles ahead in Cabinet this autumn over such things as public spending? At the centre of the Treasury strategy is the idea that the debate must be made one about whether money goes on public spending or tax cuts. Last year the Chancellor brandished the stick of tax increases and then surprised everyone when he actually used it. This year the debate is different. The carrot is that if the spending ministers will only moderate their demands, there will be money available for tax cuts, especially reductions in the national insurance bill which industry pays.

But this debate between spending and tax cuts, though important, is an economic sideshow. What the Chancellor is really after is holding down the level of public borrowing and also holding down the level of private borrowing so that the total amount of money in the economy does not exceed his guidelines, which it has been showing a strong tendency to do over the past six months.

The Bank of England made clear in its Quarterly Bulletin that interest rates would probably have risen in the summer if the civil servants' strike had not allowed companies to hold on to cash by not paying their tax bills. As they start to do so, their position will tighten and they will find borrowing to finance their

The fear that the sacrifices of the past two years could be in vain is very great

stocks even more expensive. It is not surprising that business confidence has fallen back sharply.

A sluggish economy in 1982 is not a by-product of a world interest rate war or an unfortunate consequence of problems in restoring confidence. It is essentially the goal of the Government's policy.

Is there any way out of this mess? The only options are a change of course, recognizing that the reduction of inflation is going more slowly than the Government hoped and loosening the monetary targets to take account of the squeeze private companies are forced on the Government if there is a genuine sterling crisis which it cannot handle.

A lower exchange rate would boost demand for British goods, cut our imports and increase the surplus at the cost of higher inflation. Or there could be a genuine domestic policy change, in which Cabinet cuts reject further spending cuts or tax rises and also reject higher interest rates to squeeze private borrowing. That would almost certainly be accompanied by a new fall in the pound.

The other option is to try to stay within the present policy guidelines by bringing down inflation a rate faster than currently seems possible. That could be done by big cuts in indirect taxes such as VAT, or by subsidies to the nationalized industries; or finding a way of getting rid of the medium-term financial straitjacket into which it has so carefully sewn itself.

David Blake  
Economist, Editor

# The threat still hanging over the countryside

It is now clear that the Wildlife and Countryside Bill, which is in its final House of Lords stages, will deal a massive blow to practical hopes of conserving many of Britain's most important wildlife habitats and landscapes over the coming decades — unless it is changed. For recent events, particularly controversies over land drainage at Halvergate Marshes in Norfolk, are pushing the Bill to an unexpected climax next week.

The source of the difficulty is amendments introduced to the Bill by the Government in July. These would so alter the relationship between farmers and conservation bodies, such as the Nature Conservancy Council and national park authorities, as to make the prospects for wildlife habitats and landscapes significantly worse than they are now. And as pressures for greater agricultural production increase in the 1980s, the position will grow steadily more critical.

Two crucial new clauses, 31 and 39, go to the heart of the Bill's approach to conservation. They mean that in future any farmer in a national park or Site of Special Scientific Interest (SSSI) whose application for grant aid is denied on conservation grounds will have to be offered financial payments equivalent to the profits he

might otherwise have expected. This is a remarkable new principle in itself. It puts farmers on a wholly different basis regarding grant aid to the rest of the community. It gives legal expression to the surprising notion that a farmer has a right to grant aid from the taxpayer: if he is denied it in the wider public interest, he must be compensated for the resulting, entirely hypothetical, "losses".

This had not previously been so. Agricultural grants have been withheld in controversial cases with no obligation to pay annual compensation. For example, grants were refused in 1978 at Amberley Wildbrooks in West Sussex and at Lockton High Moor in the North York Moors national park. Because the agricultural developments that would have followed would have been damaging to the areas, a question of compensation arose. Yet the Bill's new clauses will change all this.

There is, however, even greater cause for concern. The Bill requires compensation to farmers to be paid not by the Ministry of Agriculture, whose relentless promotion of new farming methods through the grants system is now the source of many conflicts, but from the meagre budgets of conservation agencies such as the Nature

Conservancy Council (£8m in 1980) and the ten national park authorities (£4.8m in 1980). Such an approach could work only if the agencies could afford it. Without the cash, they will simply not be able to object to the many controversial (and even mischievous) grant proposals that will arise. The cost of winning will simply be too severe for them under the new system.

But there is no prospect whatsoever of adequate funds being available. Two current controversies show why. The first concerns Exmoor, long an arena of conflict between pressures for agricultural improvements and the national need to preserve wild uplands. Guidelines negotiated this year mean that farmers who do not benefit from grant aid to plough moorland will receive annual payments on a loss-of-profits basis.

Such payments may just be possible (with 90 per cent grant from the Government) for the national park authority on Exmoor, where moorland losses are now running at less than 100 acres a year. But over the country at large, more than 12,000 acres a year of moorland are disappearing. To stem this national rate of loss using the Exmoor model would cost £6m a year (and rising) in compensation within the decade — an unthinkable burden for penniless national park authorities.

Protection of the nation's wetlands, an important factor in flora and fauna, presents a similarly improbable picture. At Halvergate Marshes in Norfolk, 19 farmers are negotiating payments of £55,000 a year, because they will not benefit from a grant-aided drainage scheme. On this basis, it would cost more than £1m a year to safeguard the remaining important wetlands on the Broads alone — quite apart from wetlands elsewhere.



Such cases are the tip of an iceberg. Yet it is the Exmoor and Halvergate approach which clause 31, and 39 will write into law as the way ahead for conservation. Where conflicts arise with agricultural efficiency, protection of nationally important habitats and landscapes will be possible only if huge and continuing sums of money are paid, to match the

profits from other publicly funded investments. Such money will not be available. So conservation will go to the wall inside and outside national parks. Meanwhile, the Ministry of Agriculture's grants system pushes on through the recession. There is a rich irony to all this. When the Wildlife and Countryside Bill left the Lords

## Halvergate Marshes, Norfolk: its peaceful appearance disguises a conservation issue with serious implications for Britain's wildlife

In March, it contained a promising clause enabling Ministry of Agriculture funds to be used by the agencies for a wide range of purposes, from simply increased agricultural production. This was the "Sandford amendment", so called after former Tory Environment Minister Peter Sandford, who had pushed it through against the Government's wishes.

The clause won votes from some Tory peers, who welcomed its promise of a healthy upland agriculture evolving in sympathy with national park objectives. In the Commons, under agricultural pressures, the Government quickly got rid of it, introducing clauses 31 and 39 as replacements.

The difference is stark. The Sandford clause would have begun peacefully to harmonize agriculture and conservation in sensitive parts of the country. By contrast, the Government clause meant bound to intensify recent friction between farmers and the rest of the community.

Such an outcome cannot be wanted by the enormous numbers of farmers personally committed to safeguarding the country's natural heritage. But once the law has been changed in this way, it will shape behaviour on the ground. The Government still has a few days in which to act. At the very least, it should look for a law on compensation as it has been — at the discretion of the conservation agencies, rather than mandatory. This will not be the Bill's good one — but it may be the one most remembered as the instrument which actively worsened the prospects for Britain's landscape, flora and fauna.

Robin Grove-White  
The author is Director of the Council for the Protection of Rural England.

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## Buchanan's

The Scotch of a lifetime



## What's a nice chap like Reggie doing...?

Reginald Bosanquet was arguing with his devoted secretary, Nick, about whether he should drag his tortured body from bed in order to concentrate on important new television plans when I called his Chelsea flat yesterday.

The lovable Bosanquet, victim of his own charitable good nature, on Saturday when he collapsed during a sponsored bed-push up Ben Nevis, is trying to convalesce while putting the final touches to a new chat show series.

Bosanquet, who raised £1,000 under David Frost's patronage for the International Handicapped Children's Fund, said: "I've discovered muscles I never knew I had. But let me make two things clear: I wasn't revived with brandy and I'm a lot fitter than my collapse suggests. I can normally get through two or three hours tennis, you know. I fainted on the



Reginald Bosanquet: arguing

## THE TIMES DIARY

### SDP

Despite its youthful innocence, the SDP has already achieved a level of sophistication in the art of marketing and money-making which must be the envy of its elders in the political world. The stall selling party souvenirs in the foyer of Perth City Hall yesterday was crowded throughout the day as eager party members paid for reminders of their first conference. The goods on sale range from whisky glasses and paperweights made in the Cuthberts' constituency of Robert MacLennan and selling for £30 each to small furry animals called SDP Furrles at 35p each.

The entrepreneur behind this sales drive is Anthony Martin, the SDP's marketing and membership services

way up, but I'd climbed 1,000ft and I'd only said I'd do 500ft." Propped up by a mountain of pillows, the 49-year-old Bosanquet, once Lord of the ITN newscasters, said he was now trying to organize financial backing for a show with the working title *What's a Nice Chap Like You Doing*...

manager. A former marketing manager for the Sunday Times and Financial Times who was also running for the job of publicity director for the Conservative Party, he relishes the marketing of the SDP's bid to the nation and making a few bob for the party in the process.

Martin expects a turnover of about £10,000 on his stall this week. Everything sold on it has been made to special party design in the past six weeks. He is particularly pleased with the SDP ties which were selling well yesterday at £3.75 each, and with copies of the *Linehouse Declaration*, signed by the Gang of Four and available in gold frames for what he regards as the giveaway price of £12 each.

He is doing very well, thank you, since accepting Bernard Levin's advice to "ride the tiger" and leave ITN. Since 1979 his writings have kept him in the manner to which he is accustomed. His own professional dislikes are doctors and lawyers. "You can be hanged and still have to pay your lawyer or die of cancer and still have to pay your doctor," he said.

M le Président

For the first time the Dickens Fellowship has chosen a French president. He is Sylvère Monod, Professor of English at the Sorbonne, who, according to Dr David Parker, of the Fellowship, speaks English better than many a native and is interestingly known for his translations of Dickens into French.

and as an authority on the novelist. Monod takes over this month and will attend the Fellowship's chief functions. He succeeds Mrs. Edna Healey, wife of Denis, who, according to Dr Parker, has been a most excellent president, lecturing on Dickens when she accompanied her husband abroad.

Meanwhile the Fellowship, with £10,000 received from the Heritage Foundation Trust, will this winter undertake a major work of reconstruction in the Dickens House in Doughty Street, London. With the help of furniture in the Fellowship's possession, some being acquired, and some lent, Dickens's drawingroom or the first floor is to be reproduced. A sketch by George Cruikshank, Dickens's illustrator, of the novelist in the corner of the room will be a help, and the walls are to be scraped to find the colour in the late 1830s when the house was occupied by the Dickens family.

### Taken as Red

An intriguing tale of an armed landing by Russians in the Shetlands (right under the nose of an RAF early warning station) reaches me from Leslie Thomas, the best-selling author, who discovered it during his researches for a travel book, *The Hidden Places of Britain*, to be published soon.

One stormy night in the early seventies, he says, a Russian trawler went aground near Muckle Flugga Light House, Berrie Priest, who lives in the most northerly house in Britain, *The Ha' on Uist*, told him he got the crew ashore with the help of his twin brother Charlie but the boat broke up and during the next few days various boats, including

the steering wheel, found its way to the shore. Long after the incident Charlie Priest was ploughing his fields when a line of heads appeared over the horizon. He stopped the tractor, took a radar station. To his surprise they belonged to Russian sailors, uniformed and armed with sub-machine guns. Within moments Charlie was surrounded.

After using his telephone the Russians demanded whisky which they drank in vast quantities at the village store in Northwick from which they staggered away to take pot-shots at sea-sulls.

Then they demanded to know the whereabouts of the missing steering wheel. The word went round Uist and eventually it was located — under one of the airmen's beds at the RAF camp.

According to Thomas, Bertie and others carried it to the beach only to find the Russians had cast off in a small boat to join their ship. Unable to turn back because of the surf, they vowed they would return to claim the wheel.

But they never did, and today the Priest brothers still retain it. "There's a picture in the book to prove it," says Thomas.

Supermac chat

Fighting talk from Harold Macmillan at Oriel College the other evening. As one of the star guests at a select private dinner to celebrate the publication of a *festschrift* for Lord Dacre of Glanton (Hugh Trevor-Roper, the historian), he gave a virtuoso speech expressing mounting alarm at the deteriorating international situation. My spies tell me his performance was remarkable given that Supermac is 87.

Michael Horsnell

### Harlech land

Lord Harlech, who has been in the news for his alleged involvement in the sale of the Harlech estate, has been found to have a permanent residence in the Harlech estate.





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## THE FLEXIBLE SIDE OF EMS

The European Monetary System has emerged remarkably well from this weekend's realignment of its major currencies. The exact timing of the change was determined by the governments themselves, rather than by immediate market pressures. Although there has been substantial intervention in defence of the French franc in the months since the election of M. François Mitterrand as president, there is no sign that membership of the European Monetary System has made that intervention any greater.

Indeed, by providing an assurance of some stability in the immediate aftermath of the left-wing victory, membership of the system, almost certainly made the task of the French authorities easier. If the French franc had been floating freely in the foreign exchange markets, there would have been a natural expectation of a big and immediate drop in its value in the summer. This would have encouraged speculative attacks.

The EMS has thus survived a potential source of major disturbance in the foreign exchange markets. Equally impressive has been its ability to cope with the day to day problems of a floating regime elsewhere in the world since it was set up. The past two years have seen huge swings in the parities of world currencies, few of which have been

justified by underlying economic circumstances. Ten years' experience of floating exchange rates has shown that the system has a built-in tendency to instability. As soon as a currency is perceived to be overvalued (or undervalued) the market tends to exaggerate the movement which ought to take place. The EMS has given the member countries at least partial stability in that unsettled world.

Yet the events of the past week also show the limitations of the EMS, which in some ways has had a fairly easy ride until recently. The strains to which such a system is subject come essentially from the tendency of the German mark to rise and the French franc to fall. This tendency reflects long-term patterns of inflation within the two countries, tendencies which have been intensified by the election of a French government promising to put more emphasis on growth.

Over the past two years this source of tension has been swamped by the weakness of the mark and the strength of the dollar. Although German inflation has been lower than that of France, it has been the mark which has been weak for much of the period since the system was formed. That is clearly changing. The mark is strengthening against the dollar and may continue to do so. This will once again raise the

question of whether the Franc can afford to rise with it.

Whatever the other benefits of the EMS, it clearly does not, by itself, succeed in removing disparities in inflation. The relative ease with which the latest realignment was carried through is bound to weaken further the idea that it represents a system of fixed exchange rates which will force countries with high inflation rates to bring them down in order to stay in line.

Britain is still not a member of the exchange rate mechanism even though it participates in other parts of the system. The new parties are clearly more realistic and the system is therefore now more robust. It thus ought to be easier for us to take our place as full members in the exchange rate mechanism, giving our manufacturers currency stability with markets which account for half their trade.

There would, however, need to be an acceptance by the Government that the pound can only go into the system at a lower level than its current parity. Even after the latest changes, the pound is overvalued against the mark. Entry into the exchange rate mechanism can only be justified as an economic decision, and not as a gesture intended to make Britain appear "European". The economic arguments now favour entry and Sunday's events make this a good time for Britain to join.

## THE REASONABLE PARTY ON TOUR

The first impression of the Social Democratic rank and file, as they have been exposed to public view in Perth for the past two days, is of a friendly, sensible, well-intentioned and essentially middle-class group of people. The proceedings have been serious, sedate, and somewhat dull. It might perhaps be a mistake to make too much of the dullness. Political parties ought not to be judged on their entertainment value. Indeed, it is precisely those qualities which make a Labour conference such a dramatic spectacle that least fit the party for government. There are also a number of special factors in the case of the Social Democrats. Because they have no agreed constitution yet, and nobody at the conference can therefore be held to represent anybody but himself, no votes are taken. This is understandable in the circumstances, but it is hardly conducive to a sense of drama. Nor are members of the conference likely to become engaged in heated disputes so long as the formation of policy remains in an interim and tentative stage.

The issue on which there has been most disagreement is over how the leader in Parliament should be elected. The

majority of the steering committee believe that the choice should be left to the parliamentary party, subject to the approval of the party conference if the election has been contested by more than one MP.

The minority on the steering committee favour election by the whole party, on the basis of one person, one vote. To judge by the debate in Perth on Sunday afternoon, the Social Democrats will be sensible enough not to tear themselves apart on the issues that have caused so much torment to Labour. But the balance of applause in the hall suggested that the SDP may possibly go for popular election. The question is admittedly more complex in the case of a party with only a few MPs now and the expectation of a good many more after the election. Yet the basic truth remains that it is members of Parliament who are best fitted to make the wisest choice because they have seen the rival candidates at close quarters under trying conditions over a period of time. Labour would be better off now if they had never changed from that system and the SDP would be wise to adopt it. But the spirit in which any system

is operated matters more than the details and the Social Democrats seem to stand a good chance of holding a leadership election without rancour.

Social Democrats are moderate people with moderate policies, which is both their strength and their weakness. It is their strength because it accords with the moderate instincts of the British people. It is their weakness because in the aftermath of Brighton they now need to seize the initiative. They have gained a great deal of ground already as the reasonable party in between Mrs Thatcher and Mr Benn. But after Mr Benn's defeat, narrow though it was, it is no longer enough for the Social Democrats to distinguish themselves from Labour by contrasting their own behaviour with that of the hard left. They must also impress the country with the difference between their policies and those of Labour. This policy gap was confirmed at Brighton: the fight back of Labour's right wing on the critical policy issues has scarcely begun. The challenge for the Social Democrats this week is to show that they are something more than Labour with a friendly face.

## HOP ON A BUS ON THE RATES

It is not often these days that a price falls, let alone with a guarantee that it will not rise again for three years. But there seems to have been a great joy among London Transport users no great flow of extra customers, no perceptible lightening of the usual spirit of morose harassment among those on the treadmill. Perhaps they were thinking of their supplementary rate demands, boosted to pay for the fares, or reflecting that lower fares at rush hour must mean longer queues. More urgently, they must have been wondering whether the train or bus would ever come, and whether it would get them to their destination without breaking down if it did.

There is a certain frantic splendour about the Greater London Council's attempt to break free of the classic public-service cycle of falling revenues leading to poorer services, which in turn drive more customers away. That has been the trend of the past 30 years, and other things being equal it has shown no sign of changing. But the cut in fares, averaging 25 per cent, is hoped to make traffic grow again — though only by an eventual 10 per cent. Even if the best hopes are fulfilled, the plan will deliberately involve a permanent increase in

subsidy. The cost to the ratepayer will be more than £200m in the first full year alone — much more than the council had planned because of the penalties the Government has imposed on high-spending councils. The GLC's present and predictable financial situation is such that it may well be unable to sustain the new fares policy for long.

Compared to public transport in other great cities, London Transport is not heavily subsidized. The Paris Metro, for instance, has half its costs met from subsidy, while London Transport gets only a quarter. The case in principle for subsidy of such services is strong, given the relatively small additional cost of encouraging the fullest use of a heavy capital investment in bus and rail systems, and the great social advantages of reducing congestion on the roads. The new fares move towards a simplification of structure which should make possible valuable savings in time and manpower.

The folly of the GLC's course lies not in raising subsidies as such, but in devoting the extra money to the wrong ends. It is a bad principle of investment to subsidize revenues rather than capital resources. Lower fares

will encourage some to travel who could not have afforded to do so before. But a much larger number avoid public transport because of its failure to provide convenient and reliable services. The high subsidies of the Paris Metro have gone into better trains and stations. The difference shows, most significantly in the rate of passenger use.

London's system, by contrast, is dilapidated and unreliable. Years of underinvestment and bad management have left their mark. The last administration at the GLC had its own follies of grandeur in unwarranted capital projects like the Jubilee Line. Some advance has been made, though only recently, towards improving integration between rail and tube and bus. Only rudimentary gestures have been made in the new fares plan to encourage travel out of peak hours. Politicians and managers alike have failed to come adequately to grips with the fact that improving efficiency must mean reducing the system's chronic and ingrained overmanning. Subsidy of an unsustainable fares bonanza squanders ratepayers' money for no lasting benefit, while judicious subsidy of better machinery and better management will bear fruit far into the future.

Time limits are, of course, applied to every permission by statute in order to enable planning authorities to review them and take account of changes in circumstances and policies. It is significant that no suggestion was made during the recent inquiry at Harlech, or in the Secretary of State's decision letter, that the Gwynedd County Council, the Snowdonia National Park Committee, or the old Merioneth County Council had acted improperly in any way.

Yours faithfully,  
IOAN BOWEN REES,  
Chief Executive,  
Gwynedd County Council,  
Caernarfon.  
October 1.

## Unions and democratic-procedures

From Mr Tom Hoosen, MP for Brecon and Radnor (Conservative.)

Sir, British democracy certainly has its problems. Its imperfect workings reach their most realistic shores in the ways more than a few trade unions practise their democracy. The present attempt to hijack the Transport and General Workers Union vote in the Labour Party's deputy leadership contest merely exposes the way in which, month in and month out, the apparent voice of apolitical mass memberships is manipulated by ventriloquists. The time has come for Parliament to use its authority as the only trade union of the whole nation to sort out the defective democratic methods in trade unions, over which it is sovereign. The fact that trade unions have privileges matched in no other body by parliamentarians is an underlying Parliamentary duty to lay down the law under which trade unions should earn their privileges.

We can debate what those privileges should be, provided the Government brings in a Bill of sufficient scope to provide a basis for development. Obviously the supremacy of union members' votes must be established, and it is as a suitable occasion to adopt what Australia and Belgium do in general elections — making a vote compulsory — as a condition of union membership. Here is a way

to tackle the disease which has allowed manipulators to purport to speak for overwhelming numbers who would utter no such views, had they voted.

Anyone who has read George Orwell's conclusions about the need to cleanse political language from double-speak will see that there is a parliamentary duty to outlaw double-speak as well, for subversion of democracy starts by confusing both language and processes.

Since 1969, politicians have learned to touch trade union affairs in gingerly fashion. Times are changing, and Jim Prior laid the groundwork for this change. He was right to limit first steps in this Parliament's reform of trade unions to such blatant abuses that he carried three trade unionists in every four with his plans — and made the day of general strike against the Bill a fiasco.

Now the national climate is right for more forthright reforms which Conservative, and many other, MPs will expect from the Government. Many Tories who like myself refuse to be labelled wet or dry will feel that the next step is a natural consequence of the first, and is given fair weather by the success of the first. Its acceptance by most union members is not in doubt, if we tune out the ventriloquists.

Yours sincerely,  
TOM HOOSON,  
Maesnawr, Brecon; Powys.

## Marriage contract

From Mr James Hill, MP for Southampton, Test (Conservative.)

Sir, May I take this opportunity to contest the criticism of my suggestion (September 5) that the law no longer sees divorce as a breach of contract although it sometimes behaves as if it were, in the award of maintenance.

The legal facts are these. Before the Divorce Reform Act 1969 came into force in 1971 one of the parties to a divorce had to be proved guilty of a matrimonial offence and financial settlements were made on the basis of that wrong had been done. A divorced wife who was innocent, as I see it, who had broken no lifelong contract, was seen as having a lifelong right to support.

Since 1969 Act, the obtaining of a divorce has not been seen as a breach of contract but simply that there should have been an irretrievable breakdown. In practice either party can effect a divorce by living apart from their spouse.

To counter (some would say to counteract) the changes in the Divorce Reform Act, the Matrimonial Proceedings and Property Act 1970 also came into force in 1971. This contained important provisions (now enshrined in Section 25 of the Matrimonial Causes Act 1975) to judges in the award of financial settlements. Judges are asked both to consider all the circumstances of the case, including income, earning capacity, property, financial resources, needs, obligations and responsibilities, standard of living, ages of the parties, duration of the marriage, mental and physical disabilities, contributions to home or family and pension rights and "to place the parties, as far as it is practicable and, having regard to their conduct, just to do so, in the financial position in which they would have been if the marriage had not broken down."

I am sure that Archbishop Worlock would have been equally horrified, but I do remember a very few years ago sitting in the common room of one of the more theologically lively Roman Catholic communities in Oxford and watching a television programme on the destruction of our historical and cultural (and yes, aristocratic and capitalist) heritage in the form of English country houses: as the dynamite exploded and the facades crumbled cheers of delight went up from the Christian Marxist assemblage. I believe that nowadays, at least, such matters are better ordered in Russia and China, to go no further.

## Beneath the emperors

From Mr Christopher Derrick

Sir, Must we always see this world as divided by a vertical line, into an American-led US and a Soviet-led East? In a recent leader on unilateralism ("Two emperors, dressed Emperors," October 2) you appear to take such a model for granted, saying confidently that "One emperor is on our side and the other is not"; and you therefore reach no very helpful conclusion about this sickening nuclear paradox.

Isn't it time for some "lateral thinking"? What if we started to see this world as divided by a horizontal line, as "Two emperors, dressed Emperors," October 2) you appear to take such a model for granted, saying confidently that "One emperor is on our side and the other is not"; and you therefore reach no very helpful conclusion about this sickening nuclear paradox.

This suggests to me that the primary objective is to see the financial position of both parties should be as far as possible unaffected by a divorce. Briefly, a marriage may be dissolved but the financial ties are to be seen fundamentally as lifelong.

It is this assumption with which I take issue, that all things being equal, marriage is a contracting-in to a standard of living for life.

Several factors favour my view. The increases recently in the number of divorces must show that many marriages are not seen as a lifelong commitment. There is the simple practical fact attested by Dr Colin Gibson in his letter (September 15) that many remarried husbands simply cannot fulfil a commitment to supporting two families. This is usually no insurmountable reason why a divorced wife, unless her children are very young, cannot go out to work. Some ex-wives can degenerate into the pathetic condition of a wage slave in America, an "alimony drone".

Further, it may happen at the moment that an "innocent" husband may find himself asked to pay up to one third of his income to an ex-wife and be deprived of a matrimonial home. The stress these factors can put on a second marriage goes without saying.

I had not properly considered pension rights and Mr Lindsay's suggestion (September 12) seems a good one: it should be possible to award widows' pensions according to relative "lengths of service".

In short, I am proposing a simplified, accessible and practical approach to an area of the law where the principle of a contract for life conflicts with changing social patterns and attitudes to marriage and to work.

Yours faithfully,  
JAMES HILL,  
House of Commons,  
September 28.

## Church and churches

From Dr Lewis Smith.

Sir, I am moved by Mr Lube Bush's letter of yesterday (September 26) to write a note in support, both of his attempt to save some of the historic (and "disused") Roman Catholic churches of Liverpool and also of his courteous request for a more responsible public debate, not confined to Roman Catholics, before decisions of this kind are made, often upon a very shallow theological-Benjaminite set of principles.

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We have been taking the most terrifying risks, these last few years, with the cultural heritage of the Roman Catholic church. Rightly, for the most part, as I believe, Ernst Kaesemann (Lutheran) has written a golden little book *Jesus Means Freedom*, and that was surely what Pope John, of affectionate memory, meant when he opened his Vatican window. Truth and symbol can only coexist in the most tortured and dialectical manner, in the philosophy of the Christian case. But Mrs Mary Douglas, from her own no doubt rather conservative viewpoint, has warned us of the sheerly anthropological dangers of looking at our inherited symbols in the current fashion.

Could not we have the Tridentine missal back for those who want it, and rescue plain chant from Westminster Cathedral and Radio Three, and preserve our old churches, in Liverpool and elsewhere, in whatever public use, because these are realities of the human spirit?

Yours sincerely,  
LEWIS SMITH,  
38 Printon House,  
Wallwood St,  
E14.  
September 27.

This model would, at least enable us to ask real questions. "What should we do about the nuclear dilemma?" That question means nothing so long as the "we" in question is understood to mean government, as found (now or in some possible future) within this patch of land. State power is the name of the disease, not of any possible remedy, and "should" questions can only be asked about individuals.

Given what government has now become, at what point does it become a kind of collaboratorist wickedness to give it one's individual support — as by joining the RAF, or by being a civil servant, or even by paying taxes as demanded? That's a real question, and one that deserves more attention than it gets, not only in connection with current preparations for genocide. One can't hope to save the world, but one can hope to save one's own soul.

Yours sincerely,  
CHRISTOPHER DERRICK,  
25 Park Hill Road,  
Wallington,  
Surrey.  
October 3.

## Guaranteeing jobs or academic freedom?

From Dr Peter West

Sir, The comments of Sir Peter Swinnerton-Dyer on academic tenure (report, October 2) are a veritable mine of misinformation. He criticizes older academics who do not put their weight and links this to his view that tenure is too easily given. But there is nothing in the rules governing tenure that says a don has a job for life without question. Failure to carry out the duties of his post is one of a number of grounds on which a university teacher can be dismissed, and such dismissals do occur though many more may be hidden by encouraged resignation.

Sir Peter argues that a don's ability cannot be assessed after only two years, but he completely fails to make clear the context of this two year period. It does not, after all, come two years after graduation. In most, if not all subjects a new university teacher will have completed three, and usually many more, years of research. This research is usually accompanied by some part-time teaching of undergraduates. In consequence, there is a long period of endeavour to be assessed when choosing a new lecturer from the mass with relevant experience. Coming on top of this, a two year period may easily be sufficient to confirm or refuse the initial assessment at the time of appointment.

Of course, in any system to give security of tenure to lecturers there will be cases where ten or twenty of thirty years after appointment an academic becomes a less effective researcher or teacher, though this is surely true of every walk of life. But Sir Peter to find a system that could predict performance even ten or fifteen years ahead with any great accuracy. Making

people wait for tenure may force them to publish more research papers, under the yoke of job insecurity, as the United States demonstrates. But good ideas cannot be forced out of people and the result is a burgeoning but ineffective research literature in which other people's ideas are manipulated in minute detail and each permutation published.

It is inconceivable that ineffective members of any organisation are a burden on the rest. They should be encouraged to face their responsibilities or face the consequences of their inaction. However, this is entirely separate from academic tenure. Tenure was intended to give the academic freedom of expression. Your recent reports of changes in the SSRC Social Science Research Council suggest that now, more than ever in Britain, that freedom needs protection.

Yours sincerely,  
PETER WEST,  
9 Pendarves Road, SW20.

From Dr Stephen Fender  
Sir, The report (October 2) of Sir Peter Swinnerton-Dyer's valedictory speech at Cambridge is a puzzling reading. How will the performance of aging dons be improved by denying tenure to young people newly appointed? And how can he take satisfaction in the Cambridge system of competitive tenure when a recent, well-publicised example has shown it can be manipulated to remove someone whose thinking is out of line with the majority of his faculty?

Yours faithfully,  
STEPHEN FENDER,  
Department of English,  
University College London,  
Gower Street, WC1.

## Devil's Bridge

From Mr Douglas B. Hague

Sir, When writing in 1824 William Wordsworth was not the first traveller to behold the "dread chasm" beneath Devil's Bridge: now thousands of visitors conveyed from Aberystwyth in British Rail's last steam train sample the scene and refreshments.

This true beauty spot is in fact so popular that it might have been expected that any proposals endangering the character and structure of the bridge spanning the gorge would have exercised the apprehension of the local community council. It did not. When a site meeting was called to discuss its fate, the councillors attended a choir practice.

It is the face of such local apathy that I beg your space in order to plead with any readers familiar with this delectable spot to write to the Dyfed County Council, or the Welsh Office, should they share my distress.

The crossing consists of four superimposed bridges: the lowest is probably medieval; above it is the longer segmental arch of the mid-eighteenth century. In 1814, in order to facilitate coach traffic, this was raised by added masonry

and provided with singular and very pretty grotto cast-iron railings made at Aberdare: the very railings on which the rousing poet leant. Finally, in 1901, a steel lattice girder bridge was thrown across at an even higher level, and it is the rusting of the lattice webs of these girders which make repairs essential.

Had the replacement plans involved a modest structure demonstrating the elegance, grace and confidence of modern British bridge engineering, it could enhance, not detract, from the scene. The present expensive proposals involve two elephantine castellated girders 1372mm by 419mm with the deck capped by officially approved "Group 2" vehicle pedestrian parapets: the official drawing does not even acknowledge the existence of the 1814 railings, which would be hidden, and on one side destroyed. Space prevents giving my constructive suggestions, but surely in such a situation a little more imagination and sensitivity is to be desired.

Yours faithfully,  
DOUGLAS B. HAGUE,  
Industrial Secretary,  
Council for British Archaeology,  
Group 2: Wales and Monmouthshire,  
Maesglas, Llanfahan, Aberystwyth.

## Public sector pay

From Mr Peter Hordern, MP for Horsham and Crawley (Conservative.)

Sir, Sir Patrick Nairne's letter (September 22) illustrates both the pride with which distinguished public servants such as he have in serving their country and their unaccountable failure to distinguish between the functions of the public and private sectors. For it is not a "meretricious distinction" that he suggests you have drawn between the wealth-creating and the public-service sectors. In saying there is a "need" for a "new" public sector, Sir Patrick obscures the fact that the public sector depends upon the private wealth-creating sector for its very existence.

Nor, unfortunately, is the relationship between the two a static one. For while the numbers employed in manufacturing, which still accounts for 30 per cent of gross domestic product, have shrunk from 8.4 million in

1960 to 6.7 million in 1980, the total numbers employed in local government in England and Wales in the same period have risen from 1.5 million to 2.5 million.

Furthermore, the numbers employed in the Health Service, over which Sir Patrick himself recently presided, have increased from 575,000 in 1960 to 1.2 million in June, 1980. And when one observes that the cost of wages and salaries in the NHS has more than doubled in the last five years (from £1.5 billion to £4.02 billion), an average increase of 17.6 per cent every year, we can get some idea of the very great strain that has been imposed upon the private sector.

Is it not time that the same discipline and restraint was applied to the public sector as has by force been experienced in the private sector?

Yours faithfully,  
PETER HORDERN,  
House of Commons,  
September 23.

## Help for Poland

From Mrs Maria Niemojowska

Sir, Being no economist I am in no position to judge various schemes of helping the Polish economy, including those suggested by Professor Portes (September 14). However, it is clear that even he cannot envisage the full extent of all the ramifications of the present collapse of the Polish economy. I would like to point out one only of the results of it, which is the international commercial or industrial agreement can put right.

A short time ago the Polish Government cancelled subscriptions of all the foreign scientific and other learned publications, including all the periodicals. The implications of such a move for the future of Polish science, and learning in general, are incalculable. If it wouldn't mean the end of the progress of Polish science as such, it should mean inevitably a period of general stagnation with further dire consequences for future agricultural, industrial and commercial development.

I would like to use this opportunity to appeal to the scientific and other learned bodies and institutions, as well as to the private individuals, to render such help as they could manage to the hapless Polish scientists, universities, libraries and similar bodies by sending them any material they can afford to.

There is a long-standing tradition of brotherhood of European scientists, in which the British played a prominent part, that I hope will not allow them in the present moment to forsake their Polish colleagues in their almost insuperable need.

I remain, Sir,  
Yours sincerely,  
M. NIEMOJOWSKA,  
64 Sumatra Road, NW6.

## Auction premium

From Mr C. Wiseman

Sir, In reporting a settlement of the conflict between auction rooms and dealers over auction premiums, your Sale Room Correspondent (October 1) describes the situation as steering "a brilliantly balanced course between the interests of the two groups". But what, may one enquire, about the interest of the public at large?

According to the report the dealers have so far spent about £150,000 on legal costs alone and one may perhaps fairly infer that they were confident they could prove that the auction houses were (and are) in breach of the restrictive trade practices legislation. If there is indeed such a breach, is it in the public interest that no steps should be taken to remedy it simply because the auction houses and the dealers have come to some private arrangement in their own interests?

Yours faithfully,  
C. WISEMAN,  
Lynton Lodge,  
The Drive,  
Snarebrook, E18.  
October 2.

## The proper study

From Mr Jeremy Howard

Sir, Pate Philip Howard (review of the *Dictionary of National Biography*, October 3) takes a prosopographical view of history predates both Sir Lewis Namier and the DNB. It was Thomas Carlyle who wrote that history was the essence of innumerable biographies.

Yours faithfully,  
JEREMY HOWARD,  
52 Clancarty Road, SW6,  
October 1.

## Harlech land sale

From the Chief Executive of Gwynedd County Council

Sir, Lord Harlech (September 26) appears to have acted with his customary generosity in selling land in 1986 to the old Deudraeth Rural District Council, one of the small authorities wound up in 1974. There is, however, no justification for the IDC Group's criticism of the planning authorities involved, neither of which ever dealt in the land or inherited Deudraeth's profit.

In his letter to you (September 24) the group chairman, Mr. Howard Hicks, omitted the most important fact of all from his catalogue: the outline planning

permission granted by the old Merioneth County Council expired in 1975 and only in 1978 did the company seek to revive it. By then the Gwynedd structure plan had been approved by the Secretary of State after a public inquiry, and not only had firmer policies been introduced to conserve the splendid landscape and unique society of Gwynedd but the role of the National Park Committee had been strengthened by the Local Government Act, 1972.

Circumstances had also changed: the second home problem had become much more evident, while the possibility that another small Merioneth resort, Aberdovey, might be swamped by 400 houses had caused a public outcry.















Why some are more equal than others, page 19

# Business News

THE TIMES Tuesday October 6 1981

Has the EMS tipped in UK's favour? Page 19

## Joint drive to make UK industry competitive

By Peter Hill  
Industrial Editor

The Government yesterday approved a coordinated investigation into the means of making British industry more competitive. It gave the go-ahead for detailed studies into opportunities for private sector cash to be raised to fund nationalised industry investment projects.

Both moves were warmly welcomed by employer and trade union representatives at yesterday's meeting of the National Economic Development Council.

Although yesterday's decisions do not imply short-term policy changes, the moves are seen by the Confederation of British Industry, the TUC and the Nationalized Industries Chairman's Group as encouraging. They are also being regarded as an indication that at least on the thorny issue of state industry funding, from the private sector, the Treasury and Sir Geoffrey Howe, the Chancellor of the Exchequer, may be prepared to show greater flexibility.

Yesterday's meeting, with the Chancellor in the chair, considered a detailed report by a working party on the scope for enabling state industries to go ahead with major investment projects, possibly by according greater priority to investment projects through borrowings from the National Loans Fund, or through raising cash from the private sector.

The Treasury, which led the working party's investigation, and the Government have resolutely opposed any move which might affect the Government's anti-inflationary policy and the control of the Public Sector Borrowing Requirement. Previous attempts to find a way out of the present impasse have been complicated by the Government's insistence that any borrowings from other than the Government would require Government guarantees and whether called or not, would count against the PSBR.

Sir Peter Parker welcomed the working party's report as a "distinct step forward" and emphasized that state industry chiefs were anxious that potentially profitable capital spending schemes should not fall victim to the tightly-controlled system of external financing limits. The Chancellor warned that while all parties agreed that increased priority should be given to investment, that implied that it would be at the cost of spending cuts elsewhere in the public sector.

He said that the handling of nationalized industries over a long period had not been "very clever".

The NEDC has asked the Treasury and the NICG to undertake detailed work over the next few months into specific projects in the nationalized sector offering opportunities for private sector involvement and to submit a further report by June next year.

But the Chancellor and Mr Patrick Jenkin, the new Industry Secretary, attending his first meeting of the NEDC, signalled their approval to the National Economic Development Council continuing detailed work on the possible implications for the United Kingdom of industrial policies elsewhere in Europe.

## Government enters De Lorean affair

By Business News Staff

The Northern Ireland Office yesterday entered the De Lorean affair after Mr Nicholas Winterbottom MP told why he took the allegations so seriously.

In a statement issued last night, the office said: "The inquiries now being conducted are nothing more than the normal procedure which would always be followed when serious suggestions of financial irregularities are made."

The office said it had decided to issue the statement because of the interpretation which had been placed by some sections of the press on the investigations in connection with De Lorean Motor Cars Ltd.

"The inquiries in 'no sense' implied that the Government gave credence to the validity of the suggestions of financial irregularity."

Having been informed of the allegations by Mr Nicholas Winterbottom MP, arrangements were made for the matter to be examined by the Director of Public Prosecutions in London, who has asked the Metropolitan Police to make further inquiries. It will, of course, be for the DPP alone to consider in due course whether any action on his part is necessary.

Mr Winterbottom explained at his Cheshire home at Asbury yesterday how he came in contact with Miss Marion Gibson who was on holiday in his constituency constituency and met him by appointment to make known her allegations.

Mr Winterbottom added he had

When the allegations were originally made they were just oral and I suggested if there was actual evidence I should have a sight of it. Mr Winterbottom said. Within a few days at a second meeting documents, evidence and other memoranda were presented to me and although these copies were not made available at that time I realised the matter was so serious that I wrote to the Prime Minister's parliamentary private secretary and asked for an early meeting on her return from Australia.

Shortly after his second meeting, the woman returned to America and then he received telephone calls both from her and her lawyer indicating that it was a matter of urgency that the Prime Minister should be given the information at once.

Downing Street then telegraphed the Prime Minister in Australia and after considering the matter she considered the allegations so serious that she instructed the office of the Attorney General that a full investigation should be undertaken by Scotland Yard.

"My sole reason for taking the action I have is to safeguard the British stake in De Lorean which is in the region of £80m and to try to ensure the continued employment of the 2,000 employees at the factory in Dunmurry."



De Lorean cars ready for shipment to the United States

## Walters denounces 'quack cures'

By David Blake, Economics Editor

It was impossible to say just when the economy would start to pick-up from the present recession, Professor Alan Walters, the Prime Minister's economic adviser, said last night.

"All that I can say is that history tells us that it will happen," he said, adding that the Institute of Directors annual lecture, Prof Walters had earlier told the businessmen that the recent uncertainty in stock markets had shown the extent to which development in the United States dominates the world economy.

He stressed the need for the Government to hold on to firm control of the money supply, adding that the country was going "round a difficult corner" at the moment.

Prof Walters refused to commit himself on prospects for when the economy will start to recover, came during questions after his speech. He did, however, remind his listeners that a number of people, including the Bank of England had recently seen signs that

of monetarism, a term which he said had been "distorted and debased". It boiled down to the simple observation that if there was an increase in the quantity of a commodity on the market, its price would go down. "Controlling the quantity of money was the only way to control inflation."

Much of the problem the Government faced came from the fact that people did not expect its determination to control money supply to last, he said. In the past they had been right to be sceptical.

Periods of tight money had been abandoned by Mr Jenkins in 1969 and Mr Healey in 1975. This had destroyed the credibility of the policy, which needed to get money supply growth to around 3 per cent a year, he said.

"Belief is all," he said.

When people believed that the Government was determined to hold down the growth in the money supply, they would change their expectations, he said.



Photograph by Sue Parker

## Portland Cement on firm ground

Rugby Portland Cement, whose chairman Lord Boyd Carpenter is pictured, has done unexpectedly well in the six months to June 30. The company, which is Britain's second largest cement maker with around a fifth of the market, owes its good performance to an increase in market shares at home to a price increase, and the benefit of a strong dollar to earnings from the 85 per cent owned Cockburn Cement of Australia. Turnover rose from £66.7m to £67.7m and pretax profits were as high as £8.9m against £9.3m despite the recession. Financial Editor, page 19

## Dow pays £24m for Arbuthnot

By Peter Wilson-Smith  
Banking Correspondent

A £24m agreed takeover bid for Arbuthnot, Latham, the City merchant bank, was unveiled yesterday by Dow, Scandia Banking Corporation, bringing to an end months of speculation about Arbuthnot's future.

Dow Scandia, which is ultimately controlled by the Dow Chemical company of the United States, is offering 320p cash for each Arbuthnot ordinary share and 67p each for the cumulative preference shares. Shareholders owning 51.1 per cent of Arbuthnot have irrevocably accepted the terms.

Dow Scandia, a recognized bank was formed last year out of the London branch of Dow Banking Corporation, which owns 52 per cent, and three Scandinavian banks - Sundt, Hvalsbanken of Sweden, Bank of Helsinki and Forretningsbanken of Norway.

The takeover has been approved by the Bank of England. Arbuthnot will be allowed to remain a member of the exclusive Accepting Houses Committee, which expelled Anthony Gibbs last year when bought by Hongkong & Shanghai Bank.

Arbuthnot shares came back from suspension yesterday and rose 5p to 310p but later closed after hours at 300p.

The combined group will have total assets of over £400m. Financial Editor, page 19

## Cool reception for EMS realignment

By Peter Norman in Brussels and Frances Williams

The weekend realignment in the European Monetary System has received a fairly cool reception from bank economists in the participating states.

The failure to agree on a devaluation of the Belgian franc was seen by many as a grave weakness in the new pattern of exchange rates that would sooner or later result in speculative currency flows upsetting the system.

In West Germany, bankers tended to think the three per cent devaluation of the French franc was insufficient to compensate for the growing differential between France's inflation rate and that of West Germany, while the 5.5 per cent revaluation of the mark was rather high for the country's export industry.

But in Brussels, the realignment found one enthusiastic supporter. M. Francois-Xavier Ortoli, vice president of the Commission responsible for monetary affairs, said that the new parities were realistic and that the realignment itself respected the principle that exchange rates in the EMS should be fixed and adjustable.

He said that the realignment demanded appropriate internal policies in the member countries. He hoped that it could lead to a fall in interest rates in the revealing states while those countries that had devalued should secure the competitive advantages of their changed parities by stepping up the fight against inflation.

Here Hans Mathoer, the West German Finance Minister, said yesterday that the market revaluation could allow some easing of German interest rates in the long term because of its favourable impact on inflation.

And M. Pierre Mauroy, the French Prime Minister, confirmed yesterday that measures would be announced tomorrow aimed at substantially reducing the excessive rate of inflation. He also told the newspaper Le Monde that the Government had been fully aware of the need to devalue the franc when it took office in May. But it wanted to choose the best time to do so, when the dollar was weaker and monetary conditions more stable.

## Bowmaker on sale for more than £75m

By Our Financial Staff

Bowmaker, one of Britain's leading hire purchase companies, was put up for sale by its American owners yesterday. The City believes the company could command a price of between £75m and £90m.

C. T. Bowring, the London-based insurance broker, which owns Bowmaker and now itself is wholly owned by the Marsh & McLennan group of companies in the United States, said it would consider approaches from interested parties.

A Bowring statement said: "Following discussions between the senior management of Bowmaker and of its holding company, the conclusion has been reached that the continued development and long-term business prospects of the company would be enhanced by its becoming a member of a group whose mainstream activity is more closely allied to Bowmaker's business."

Bowmaker became part of the Marsh & McLennan group, one of the world's largest insurance broking groups, when the group bought Bowring in 1980. Bowring's principal business is generally regarded as insurance broking and the Bowmaker side of its activities are occasionally regarded as slightly ill-fitting.

In the mid-1970s, Bowmaker was given help under the "lifeboat" scheme launched by the Bank of England and the major clearing banks for the troubled secondary banks and hire purchase companies. It became the first company to leave the lifeboat and embark on a highly profitable recovery.

By 1979, it was making pretax profits of £8.1m, though these fell in 1980 to £3.7m. For the first six months of this year, it made £4.6m profit before tax.

Net tangible assets at the end of 1980 stood at just under £50m. The company also possessed in its balance sheet deferred tax allowances of £48m, one of its attractions.

The British hire purchase business is dominated by the clearing banks, which all have major subsidiaries in the industry. In the past year, the last major independent company, United Dominions Trust, has been taken over by the Trustee Savings Bank.

The clearing banks might consider making a bid for Bowmaker, but an offer from them might prompt a reference to the Monopolies Commission.

The strongest candidate to buy Bowmaker is probably one of the American banks which have made strenuous efforts to enter the British retail banking market. Citibank was thought to be a leading contender and Bank of America said it was reviewing the situation. Both Chase Manhattan and Bankers Trust said they were not interested.

Standard Chartered Bank was considered a strong candidate in the City as was Hongkong and Shanghai Bank, but both are interested in buying Royal Bank of Scotland and might find a bid for Bowmaker a difficult complication. Financial Editor, page 19

<b>Stock Markets</b>	
FT Index	490.4 up 14.1
FT CUs	60.93 up 0.33
<b>Sterling</b>	
\$ 1.6350 up 3.60 cents	
Index 88.1 up 0.8	
New York	\$1.8395
<b>Dollar</b>	
Index 107.6 down	
DM 2.2660 down 660 pts	
<b>Gold</b>	
\$ 442.75 up 57	
New York	\$435.30
<b>Money</b>	
3 mth sterling	16 1/2-16 1/4
3 mth Euro	16 1/2-16 1/4
6 mth Euro	16 1/2-17 1/4
<b>Rises</b>	
S & W Beristord	11p to 119p
15p to 294p	
Cornell Dresses	20p to 123p
Electrocomps	12p to 140p
Empire Stores	10p to 82p
Freemans Ltd	4p to 110p
GEC	20p to 684p
Mill Samuel	12p to 138p
Minicore	30p to 470p
Polly Peck	25p to 255p
Unilever	15p to 270p
Old Scientific	45p to 483p
<b>Falls</b>	
Anglo Am Corp	45p to 587p
Atlantic Res	15p to 205p
Excel Grp	5p to 210p
T. Jourdan	10p to 39p
Killinghall	25p to 475p
W. Lawrence	5p to 130p
Willford Docks	5p to 110p
Office & Elect	3p to 25p
Rand Mine Prop	5p to 33p
Reo Stahl	10p to 232p
Stone Platt	1p to 12p
Vibroplant	20p to 120p

## A £69,000 handshake

Mr. Leonard Knoppe collected £69,000 as a golden handshake when he suddenly left the meat group FMC last April, 17 days before the accounts revealed that the group had lost £1m. He was given an additional payment for pension rights.

Mr Knoppe had been with the group about eight years and had a two-year contract. He was formerly company secretary, reached the board level and then became managing director of the group's Harris division which made a substantial loss in 1980.

Mr Leonard Cattell, group managing director, said: "Had that division not performed the way it did, we would not have been in a loss."

## £2m paid for newsagents

BPM Holdings, the printers whose newspaper publications include the Birmingham Post, is paying Westminster Press just over £2m for 375 Argus newsagents, tobacconists and confectioners in southern England.

Westminster, a subsidiary of Pearson Longman, owns 28 per cent of the voting stock of BPM. The Argus shops are said to have a combined turnover of £1m a week. BPM will pay less if Argus profits fall short of £240,556.

## Stone-Platt chief resigns

Mr Robin Taverner, chief executive of the troubled textile machinery group Stone-Platt, has resigned unexpectedly after 12 years with the group. He took over as chief executive at the beginning of 1969.

The news comes as a shock to the City, where Mr Taverner was seen as having an important role in the reconstruction of Stone-Platt which ran into deep financial trouble and had to be rescued by City banks and institutions.

Mr Leslie Pincott, non-executive chairman, is to become chief executive as well. He said there had been no disagreement and Mr Taverner had left by mutual agreement.

Mr Taverner was paid £45,680 last year and had over two years of his contract to run. Mr Pincott said a settlement had been made.

## Postal charges to rise 9.3pc

Some postal charges would rise by an average of 12 per cent early next year under Post Office proposals to the Post Office Users' National Council yesterday. The overall average increase proposed on a range of charges would amount to 9.3 per cent.

Within this average, the rate for first-class letters would rise by 11p to 15p and for second-class letters by 1p to 12p.

The Post Office is planning to raise charges for overseas mail by an average of 7 per cent. The average charge for ancillary services, including registered and redirected letters and cash on delivery, would rise by 12 per cent.

The increases would generate an extra £150m revenue in a full year.

Interim consolidated financial statement for the 28 weeks ended 15th August 1981 (subject to the year-end audit).			
£000's	28 weeks ended 15th August 1981	28 weeks ended 9th August 1980	53 weeks ended 31st January 1981
Turnover	147,997	132,509	260,127
VAT	17,224	15,633	30,693
	130,773	116,876	229,434
Trading Profit	7,452	6,149	12,707
Interest Payable	884	1,065	2,063
Profit before Taxation	6,568	5,084	10,644
Taxation (see Note)	2,299	1,350	2,827
Profit after Taxation	4,269	3,734	7,817
Dividends	1,332	1,189	2,559

Note:

The taxation charge for the 28 weeks ended 15th August 1981 has been based on an estimated effective rate of 35% for the full year. The charge for the comparable period has been reduced from £2,037m to £1,350m to reflect the rate of taxation actually borne for the full year ended 31st January 1981.

Dividend

The interim dividend is 1.9p per share (1980 1.7p) and will be paid on 5th December 1981 to shareholders on the register on 9th November 1981.

Comment

A return to volume growth, particularly in clothing and footwear, has led to an increase of nearly 12% in sales compared with the equivalent weeks of 1980.

Sales since 15th August have continued at much the same rate of increase while agent recruitment, which has been a strong feature this year, is continuing well.

Slightly higher margins earned, helped in the early months by the strong pound, resulted in an improvement of some 21% at the trading profit level. Furthermore, lower interest rates this year resulted in a fall in interest payable, thus producing an overall increase of 29% in the profit before taxation by comparison with the first 28 weeks of 1980/81.

Freemans PLC. 139 Clapham Road London SW9 0HR.



## IN BRIEF

## Zimbabwe inflation may double to 16pc

The Zimbabwe economy is increasingly facing serious foreign exchange, transport and skilled labour constraints, the Standard Bank Group says in its latest quarterly report. Inflation is likely to double to between 16 and 17 per cent in fiscal 1981.

The bank predicts a fall-off this year in the value of mining production, the first since 1963, combined with slower import growth, substantially faster inflation and a deteriorating balance of payments position.

But the planned re-opening of the Beitira-Umtali oil pipeline at the end of 1981 and other measures to improve transport was one of the positive features.

The primary impetus to the economy in 1981 will come from agriculture, whose output will rise by 40 per cent, largely on account of a 233 per cent increase in the value of maize deliveries and higher tobacco and cotton earnings, the report said.

## Loan guarantees

The Department of Industry has issued \$33 guarantees covering £28.5m of loans since the start of its Loan Guarantee Scheme on June 1. Mr John MacGregor, Under Secretary of State for Industry, said.

## US oil imports drop

Gross United States imports of crude oil and petroleum products averaged 5.7 million barrels per day, a 6.8 per cent drop on the comparable period in 1980, the Energy Department said in Washington. The figure excludes oil imported for the strategic petroleum reserve during the same period.

## Soviet oil output

Soviet oil production in the first nine months of this year was 435 million tonnes, a rise of more than one per cent over the same period last year, with September output at 50 million tonnes.

## Japan-Germany link

West Germany's Kraftwerk Union (KWU), a Siemens subsidiary, signed an agreement with three Japanese companies for a joint feasibility study on utilizing a KWU-type pressurized water reactor in Japan, a Hitachi spokesman said in Tokyo.

## Indian oil target

India, which meets nearly half of its oil needs from imports, is set to produce

340,000 barrels per day of oil from its onshore and offshore fields in 1981-82 against an estimated production of 204,000 bpd, according to Mr P. C. Sethi, the Indian Petroleum Minister. A recent import could fall by about 100,000 bpd.

## Syria project

Deutsche Babcock Bau, a unit of Deutsche Babcock, the West German machine and heavy industry group, has been awarded a contract worth DM230m for the turnkey medical centre project for the University of Damascus.

## French jobless fall

French seasonally adjusted unemployment total is estimated to have fallen 1.7 per cent in September to 1,808,000 from 1,840,300 in August, the Labour Ministry said in Paris.

## Siberia coal drive

The Soviet Union has announced special measures to boost exploitation of its Siberian coal deposits and compensate for falling production in traditional coal fields.

## Phone 'improvement'

The telephone service is improving, British Telecom claims. The proportion of reported faults cleared by the end of the next working day was 86 per cent during April to June 1981, compared to just under 50 per cent in 1978/79.

## Husky computer

Microelectronics of Coventry has developed a portable microcomputer for use outdoors. Code named Husky 144, it features an extremely large memory, capable of storing more than one million bits of information — more than many desk-top machines.

## London enterprise

United Biscuits and Whitbread are to join the London Enterprise Agency, the body set up by large companies to help smaller units and inner city renewal. The agency has so far provided help to 650 small companies and assisted 190 start-ups, according to its second annual report.

## Fibre congress

The International Rayon and Synthetic Fibres Committee will be holding its fourth congress on October 16 in Venice to examine ways and means of achieving a balanced development of their markets.

## EEC blows out threat to aerosols

By Derek Harris, Commercial Editor

Britain's aerosol industry, alone in Western Europe to experience a sharp decline in sales in the past two years, looks likely soon to escape another threat to its profitability.

Despite the possible effect on the earth's ozone layer of chlorofluorocarbons (CFCs), the European Commission is expected within the trade to produce a draft recommendation to hold the present amounts of CFCs used as propellants for three years.

If the Commission decided to reduce the levels further — they have already been cut 30 per cent — the British industry would be forced into more capital spending to substitute other propellants, like hydrocarbons, which have additional safety costs within factories.

There has been strong American pressure for a European ban on CFCs, particularly in aerosols. Non-essential use of CFCs in aerosols — such as for hair lacquer, deodorants, polishes and paint — has been banned in the United States.

This is because of still-contested evidence that CFCs can damage the ozone layer enough to lead to more skin cancer. The ozone layer is a protection against excessive ultraviolet radiation.

The commission is apparently willing to wait for definitive evidence before deciding on further reductions. Its recommendation will be reviewed in 1983 in light of any new evidence.

The commission's intentions have emerged during discussions with the

aerosol industry. But the commission is also expected to suggest that national governments should investigate whether the use of CFCs could be reduced elsewhere, particularly in large air-conditioning refrigeration units (where there can be leakage problems), in the making of polyurethane foam for furniture and other seating, and in food treatment.

The effect of the CFCs controversy on sales of aerosols is clear from a survey by Metal Box, which holds around 70 per cent of the British market for aerosol cans. Aerosol can fillings in the United States fell 20 per cent between 1974 and 1977 at the height of the controversy. They picked up again in the next two years, only last year falling back to the 1977 level because of the recession.

The United States accounted for 40 per cent of world fillings in 1976 but this

## AEROSOL FILLINGS: MILLIONS OF UNITS

	1977	1978	1979	1980
Hairsprays	123	127	103	98
Personal freshness (deodorants etc)	68	49	52	60
Household products (polish etc)	87	102	101	103
Insecticides	65	85	80	82
Paint	21	28	28	24
Others	155	172	178	151
Total	532	563	522	498

Source: Metal Box Aerosol Fillings survey

dropped to 34 per cent last year. European fillings declined only 1 per cent in this period to 36 per cent. There was a 7 per cent increase in fillings in the rest of the world.

Fillings worldwide were a record in 1979 at 6,475 million, with the recession causing a decline to 6,267 million in 1980. But British fillings were more badly hit, dropping 11.5 per cent since 1978 to 498 million fillings last year.

A new step in aerosol technology, a valve which allows 50 per cent faster filling on the production lines, has come from Metal Box, underlining how such an approach can counter difficult trading conditions by improving efficiency and profitability. Another Metal Box innovation is a trimmer metal can which not only competes aesthetically with more expensive aluminium cans but saves on distribution costs because 20 per cent more can be packed to a pallet.

The state of world trade will be the most important factor for the aerosol industry in the next year, but other developments could give sales some extra impetus, Metal Box believes. Last year, there was revived interest in some novel applications for aerosols including the dispensing of fresh cream, toothpaste, cooking oil and caulking compounds used in construction work.

New applications could be important because of changes in some traditional markets. For instance, hairsprays are still the largest single aerosol category but their decline has continued.

## BSC plans cost cuts by energy switch to coal

By Peter Hill, Industrial Editor

British Steel has embarked on a five-year programme aimed at cutting its energy bill of almost £400m a year by substituting coal for oil and natural gas.

The corporation is planning a series of experiments in its iron and steelmaking activities which, it is hoped, will lead to increased use of steam coal and reduce the level of high-quality coking coal which has been a major source of argument between the BSC and the National Coal Board.

Mr Ian MacGregor, BSC chairman, told a London luncheon of the Coal Industry Society yesterday: "The objective will be to try and become energy self-sufficient on coal with substantial improvements in cost-provided coal at competitive costs."

This move reflects BSC's concern about the high level of United Kingdom energy costs compared to those borne by its European competitors (and which the Government shows no signs of easing) and the scope which Mr MacGregor sees for enhancing steelmaking technology through wider use of coal as a fuel.

Emphasising the importance he now attaches to reducing the £380m which BSC spends every year on oil, gas and electricity he said: "We cannot carry a 14 stone weight when the other horses are carrying eight stone — we do not owe that to our people."

The prospect of the corporation developing uses for British produced steam coal will be welcomed by the NCB with whom the corporation has often been engaged in bitter arguments over the past few years on the price and quality of coking coal. The



Ian MacGregor: try to 'become energy self-sufficient'

failure of the NCB to meet the corporation's requirements on coking coal quality and price have led the BSC to enter long term supply deals with foreign producers.

The NCB can now tender for those deals, however when they fall due for renewal and negotiations are continuing between the two nationalised industries.

Shortly, BSC plans experiments, following discussions with the NCB, designed to improve blast furnace performance by injecting coal into the furnace instead of fuel oil or gas.

The hope is that once improvements have been made in the corporation's ironmaking operations, similar improvements can be made in steelmaking. Over the past 12 months, considerable progress has been made in reducing the amount of energy used in the production of every tonne of steel.

## New system boosts UK colliery yields

By Rupert Morris

Coal production in certain British pits has been increased 2½ times by the introduction of a mechanised longwall system developed by the National Coal Board over the past 20 years.

Mr Merrick Spanton, a member of the board and director of its overseas arm, British Coal International, is to tell an audience of American coal operators and mining engineers in Charleston, West Virginia, today that Britain has developed longwall sys-

tems to such a high pitch of performance that no further basic changes in design are expected.

"So far 30 faces have been converted, of which 17 were started in 1980."

Mr Spanton says that in 1980 Britain produced by far the cheapest coal in Western Europe, at £35 a tonne compared with £61 a tonne in Belgium, £45 a tonne in France, and £44 a tonne in West Germany.

## Kuwaiti oil offered at \$1 a barrel discount

By Our Industrial Editor

Kuwait, one of the Middle East's main oil-producers, is offering a discount of more than \$1 a barrel although it is maintaining an official price of \$35.50.

But Shaikh Ali Khalifa Al Sabah, the country's oil minister, yesterday denied reports that it had cut production by 200,000 barrels a day to 600,000.

He said that the easier credit terms offered to Kuwait's customers last month were merely additional facilities.

But he admitted: "These facilities represent a reduction of more than \$1 on the surcharge added to the official price of Kuwaiti oil". He said the reduction would not affect the original official price of \$35.50.

Last month, Kuwait told

customers that it was extending its 30-day credit terms by 60 days.

There has been no general concession on prices by the Organization of Petroleum Exporting Countries for the fourth quarter of this year, but the authoritative Petroleum Intelligence Weekly reported yesterday that the lack of concessions has provided further strength to spot market prices for crude oil.

Prices in the spot market for the benchmark Arabian light crude commanded premiums of more than 15 cents a barrel above the official \$32-a-barrel price.

According to the magazine, British North Sea crude secured 10 cents above contract levels for spot deliveries this month and 20 cents for next month's deliveries.

## US software houses sold

By Clive Cookson, Technology Correspondent

General Electric of the United States has bought three more computer software companies. The move typifies the current tendency for the world's large electronics concerns to diversify away from hardware.

General Electric is to pay

between \$35m and \$68m (between £39m and £77m) — depending on the future performance of the three companies — for Banking Systems of Dallas, Energy Enterprises of Denver, and Software International of Andover, Massachusetts. All

## Fed sticking to its tight money policy

From Frank Vogt

Governors of the Federal Reserve System of the United States will continue to press for tight monetary policies, despite a call for an easier stance by Mr Donald Regan, Secretary of the Treasury.

The Fed is receiving strong support for its policies from American commercial banks.

The nation's money supply growth rate so far this year has been below the Fed's declared target levels and some Administration officials believe the nation is entering a recession and that some easing in Fed policies is appropriate.

The Treasury Secretary has warned that a continuing credit squeeze, securing very high interest rates, could severely deepen the present economic slump.

At a conference in San Francisco Mr Lee Gunderson, president of the American Bankers Association, said bankers would be deeply concerned if the Fed moved to an easier stance, that could imply less determination in fighting inflation. He said: "It is very important for the Fed to adhere to a goal of solid monetary policy."

Mr Regan has stressed that he is aware that any change in Fed policies could affect expectations and so add to market nervousness and concern. However, it does appear that numerous senior White House officials take the view that the Fed is being more

cautious than is necessary. They feel the Fed could permit, for example, M1B growth at an annual rate of 4 per cent, which would still represent a formidable slowing from last year's level of around 7 per cent, rather than ensuring a rate now of under 3 per cent.

However, governors of the Fed believe that a consistently firm stance now is much more important to the markets and to boosting confidence, than the precise money supply numbers. The markets continue to doubt the Fed's determination to slow money supply growth to bring down inflation, suggest some Fed sources.

Moreover, some Fed officials are surprised that the economy has not been even weaker in recent months in the face of very high interest rates.

Mr Regan's view, and that of increasing numbers of White House officials, reflects real Administration frustration with Wall Street's reaction to President Regan's economic strategy. Administration officials believe that if the markets were displaying greater confidence, the President might find it easier to push his new economic measures through the Congress. A fall in interest rates is seen as vital to busy Wall Street's mood.

## Swire Pacific Limited

Consolidated results for the six months ended 30th June 1981 and 1981 interim dividends

Results The consolidated results of Swire Pacific Limited for the six months ended 30th June 1981 — unaudited — were:

	Six months ended 30th June		Year ended 31st December
	1981 HK\$m	1980 HK\$m	1980 HK\$m
Turnover	3,034.5	2,012.8	4,974.6
Operating profit	447.3	219.0	894.1
Interest charges—net	131.9	74.6	161.2
Net operating profit	315.4	144.4	732.9
Share of profits of associated companies	28.7	19.8	67.2
Profit before taxation	344.1	164.2	800.1
Taxation	62.2	33.6	131.4
Profit after taxation	281.9	130.6	668.7
Minority interests	87.9	43.4	210.7
Profit for the period	194.0	87.2	458.0
Extraordinary items	—	—	8.2
Profit attributable to shareholders	194.0	87.2	449.8
Earnings per share:			
'A' shares	55.4¢	24.9¢	130.8¢
'B' shares	11.1¢	5.0¢	26.2¢

Interim results and dividends The consolidated attributable profit of Swire Pacific Limited for the first half of 1981 was HK\$194.0 million, an increase of 122% over the first half of 1980. The directors have today declared interim dividends for 1981 of 24.0¢ per 'A' share and 4.8¢ per 'B' share.

	1981	1980	1980	Total
	Interim	Interim	Final	
Dividends per share:				
'A' shares	24.0¢	17.0¢	43.0¢	80.0¢
'B' shares	4.8¢	3.4¢	8.6¢	12.0¢

The interim dividends will be paid on 30th October 1981 to shareholders on the register at the close of business on 26th October 1981; the share registers will be closed from 15th October 1981 to 26th October 1981, both dates inclusive.

Prospects The results for the second half of 1981 will show further material improvement over those for the first half with major additional contributions from the Property Division. I expect that Swire Pacific's profits for the whole of 1981 will be significantly higher than those for 1980 and the final dividends to be recommended for the year will be at least double the interim dividends.

A full interim report is being sent to all shareholders.

D.R.Y. Bluck  
Chairman

Hong Kong 29th September 1981



Swire Pacific Limited  
The Swire Group  
Swire House, Hong Kong.

## RUGBY CEMENT

The Directors of The Rugby Portland Cement Co. Ltd. announce that the unaudited Group results for the six months to the 30th June 1981 were as follows:

	6 months to 30th June 1981 £'000	6 months to 30th June 1980 £'000	Year to 31st Dec 1980 £'000
Turnover			
United Kingdom	55,021	59,938	112,364
Overseas	9,665	7,694	16,111
	64,686	66,632	128,475
Trading Profit			
United Kingdom	7,554	8,411	14,307
Overseas	1,633	1,371	2,905
	9,187	9,782	17,212
Interest Received and Investment Income	2,034	1,603	3,628
Interest Paid	(2,308)	(2,013)	(3,855)
	8,913	9,372	16,975
Group Share of Associated Companies	(38)	(39)	(111)
Profit before Taxation	8,875	9,333	16,864
Taxation			
United Kingdom	1,530	766	1,834
Overseas	94	92	203
Deferred — United Kingdom	250	750	800
	1,874	1,608	2,837
Release of U.K. Stock Appreciation Relief Provision	—	1,874	—
Profit after Taxation	7,001	7,725	14,754
Minority Interests	68	74	172
Profit before Extraordinary Item	6,933	7,651	14,582
Extraordinary Item	—	—	920
Profit after Extraordinary Item	6,933	7,651	13,662
Earnings per share	5.8p	7.3p	13.0p

Reduced activity in the building and construction industry in the United Kingdom resulted in sales tonnages of cement and steel reinforcement being below those of the equivalent period in the previous year. The adverse effect on trading profits of these reduced volumes was in part mitigated by cost savings and the greater proportional use of the more fuel efficient semi-wet cement-making process.

The improvement in overseas trading profits is due to the strengthening of the Australian dollar and steady progress by the Pamella Hotel. Cockburn's disappointing results were mainly the consequence of industrial action in the last three weeks of June.

Cockburn is expecting its results for the second half year to be significantly

better than those for the first half. This, together with a positive contribution from the Associated Companies, should ensure that the reduction in the Group's pre-tax profit below that of the first half of 1980 will be more than offset by the end of the year.

The Directors have declared an Interim Dividend on account of the year ending 31st December 1981 of 2.35p a share (£2,807,105 (1980: 2.2p a share £2,618,802)).

The dividend will be paid on the 4th January 1982 to shareholders on the register on the 23rd October 1981.

Boyd-Carpenter

Chairman



## BY THE FINANCIAL EDITOR

## Fed's room for manoeuvre

It will be ironic to British eyes, should today's meeting of the Federal open market committee decide to add to the reserves of the United States banking system in order to encourage monetary growth and help along the fragile downturn in transatlantic interest rates. After the half point drop in three-month Eurodollar rates yesterday, the optimists on Wall Street are forecasting just such an action.

M-1B, the most widely watched indicator of money growth in the United States has risen by just 2.2 per cent since the start of 1981 against the 3½ per cent to 6 per cent target range. As Treasury Secretary Regan hinted at the weekend, there is room for easing monetary restraints at a time when the economy is softening into recession.

The open market committee which sets the guidelines for government policy on monetary and interest rate policy for the following month, will cut the Federal funds rate from 15 per cent to around 12½ per cent, according to the optimists, leaving the way clear for longer-term prime rates to fall from 19 per cent current levels to 16 per cent, perhaps, by Christmas.

This scenario sounds right on the supply side, give or take the odd point. But even the optimistic on Wall Street admit loan demand is still strong and that even the Fed is none too clear where the United States economy is at the moment.

So given that forecasting the turn in United States interest rates (wrongly) led to the collapse in financial markets over recent weeks and the over-reaction last year which led to see-saw rates, the best bet is that the Fed will tuck cautiously. Any supply of funds to the banking system would ease the pressure on short-term rates. But with commercial demand for credit still holding up, it is doubtful whether the Fed will signal any significant shift in policy today. We shall know more on Friday.

Meanwhile the preliminary United Kingdom money supply figures for the four weeks to mid-September are due today. The trend of bank lending (over £1,000m on some estimates), will be the most closely watched item in the obfuscated outcome. Now that M3 has yielded its role as key indicator, official optimists should be encouraged by the latest wholesale price index and the implications for inflation.

With irrevocable acceptance from holders of over half the equity, Dow Scandia's £24m takeover of Arbutnot Latham is virtually a fait accompli. However, although Arbutnot's shares have been as high as 355p this year compared with the 320p bid price, shareholders seem to be getting a reasonable price, despite the lack of figures on which to base a judgement.

The year's high was reached in very different market conditions when speculation over a bid from Ansbacher was rife and there is little doubt that the shares would be much below 300p if there was no change of any takeover. Of course, valuing a bank which does not disclose all its profit and reserves is hazardous. But Dow Scandia seems to have had to pay a sizeable slice of goodwill — disclosed net worth is £15.8m — to win agreement from Arbutnot's big shareholders and the exit price ratio on historic earnings is over 16 which looks generous.

The merger will give Dow Scandia the expertise it wanted in various areas such as corporate finance, factoring and leasing, without having to build them up from scratch while Arbutnot should benefit from greater financial backing in a world where the smaller merchant banks look increasingly vulnerable. They cannot hope to compete with the bigger banks in the corporate finance side while margins on traditional banking business have become increasingly tight, and Henry Ansbacher will have to review its future now its hopes of a merger with Arbutnot have been killed.

## Bowmaker

## Offers please

The realignment of the hire purchase industry continues apace with Bowmaker being put up for sale and the immediately obvious point to bear in mind that such are the resources needed for this type of business the company will have to be bought by a very large group indeed. In short, there is no question of floating it off as a separate entity.

But the instalment credit business is dominated by the clearing banks. Each has its own substantial business, with Lloyds in the middle of tidying up its relationship with Lloyds & Scottish. Although it might appear axiomatic that a bid by one of the clearers would prompt a reference to the Monopolies Commission, this is not necessarily so.

The most obvious candidate, however, is an American bank keen to buy hard and fast into the United Kingdom consumer credit market, with Citibank or Bank of America front runners, given their enthusiasm for the United Kingdom retail market.

Price is quite another matter and there are almost as many variables here as there are possible bidders. Net assets of just under £50m plus deferred tax of £48m are part of the equation just as pretax profits of perhaps £10m this year will also figure prominently. The Lloyds & Scottish operation currently under way involves a sum suggesting a value of around 20 times earnings or twice net asset value. The figure could eventually be anywhere between £75m and £90m, a big bite by anyone's standards.

Freemans, the country's largest mail order house, has easily exceeded market forecasts with its 29 per cent leap in pretax profits to £6.5m. Earlier in the year the odds looked decidedly against any improvement in trade this year for the mail order sector, but not only is Freemans optimistic about the full year but Gratian last week looked well set for recovery.

Much of Freemans' volume growth, which pushed sales up 12 per cent to £130.7m, excluding VAT, came from clothing and footwear and the group itself says sales since the half-year in August have continued at the same rate. The key to the profits advance lies in the higher margins struck on clothing — particularly women's fashion wear. Margins here are about 10 per cent higher and price increases have been in the region of 5 per cent, giving rise to trading profits 21 per cent better at £7.45m.

Profits of between £13m and £14m look possible after last year's depressing £10.6m. Patient shareholders get their reward with a small dividend increase to 2.7p gross against 2.4p and the shares gained 14p to 110p on the news, but the outlook for disposable incomes suggests that although the mail order companies have got their houses in order there may not be much mileage left in the shares.

## Rugby Portland Winning market share

Rugby Portland has gone coy over its success in winning United Kingdom market share, possibly to placate Blue Circle which has been losing it. This Autumn moreover, Rugby will want a good price increase and Blue Circle could demur. At all events Blue Circle's United Kingdom market share has gone down 3 per cent to 56 per cent, and the impression is that Rugby has gained a percentage point or so to put it at between 47½ per cent and 20 per cent of the home market.

Cement prices also rose 11.75 per cent in March. So Rugby's United Kingdom trading profits fell by 10 per cent in the half year while those of Blue Circle dropped by nearly 20 per cent. But Blue Circle earns most of its money abroad, in glamorous places like Mexico and Chile, while Rugby depends on the recession-bound United Kingdom. Home trading profits were £7.6m; overseas they were £1.6m (against less than £1.4m), thanks entirely to the strength of the Australian dollar against the pound, despite labour trouble dislocating the 85 per cent owned Cockburn Cement of Australia in the last three weeks of the half year.

Cockburn recently revealed that its pretax profits fell from A\$1.6m to A\$765,000 in the half year. But the Parmelia Hotel in Perth did reasonably. The upshot was a retreat of little more than 4 per cent in total pretax profits to £8.38m as the half year stage against outside estimates of £8m and the half time dividend looks attractive. Given a trading recovery in Australia in the second half year, the group could make pretax profits of around £17.5m this year, against £16.9m in 1980, and though the outlook at home is flat, year comparisons will start to look better as recession enters into them.

## Brussels

The weekend realignment of the European Monetary System (EMS), will probably strengthen the strong and weaken the weak among the EEC economies.

A system that proclaims a principle of "fixed but adjustable" parities but leaves the fixing of these parities to the exercise of political muscle under the threat of chaos should world markets open before a decision is reached, can change itself only by a process of messy compromise.

And so it was in Brussels over the weekend. The French Government needed a companion in devaluation to prove that the franc was not the only delinquent currency in the EMS. The Italians were finally persuaded to assume the role, devaluing their currency by 3 per cent with the French franc.

The Belgian Government representatives were able to point to their "careless" status to avoid yet again a devaluation of the most heavily indebted currency in the Western world.

And once again it was left to the German mark to shoulder the burden of realignment through a revaluation with the Dutch of 5.5 per cent against the unchanged currencies of Belgium, Luxembourg, Ireland, and Denmark. Yet at the meeting broke up only Herr Hans Matthöfer, the West German finance minister, and Mr. Alfons-Ban De Stee, his Dutch opposite number, appeared genuinely satisfied with the outcome.

While the unchanging and devaluing countries have bought no more than time through the realignment, West Germany and Holland may be on the way towards reestablishing the traditional autonomy enjoyed by hard currency countries in monetary affairs.

Herr Matthöfer said the decision was "a victory for the German people". Although in theory, the upward movement of the mark against its European trading partners could endanger the country's export industry at a time when increasing exports are practi-

## Why some are more equal than others

Peter Norman assesses the effects of the European Monetary System's (EMS) realignment at the weekend and Frances Williams (below) examines the case for and against British membership

At the Frankfurt Money Exchange yesterday the mark made significant gains against the dollar.

ally the only source of economic growth in Germany, previous increases in the mark's value have tended to take a long time to work through into loss of markets and declining volume exports.

For West Germany, the price gained from revaluation is the advantages that it produces in the battle against inflation. Although Germany has the worst level of price increases of any member of the EEC its inflation rate on a year to year basis has crept past 6 per cent in recent months to levels unknown since 1974. Much of the upwards pressure on prices has come through the rising cost of imported goods caused by the fall in the mark against the dollar and other world currencies over the past 18 months.

On Sunday, Herr Matthöfer made a point of stressing his belief that the mark should now rise against the dollar as

well as the EMS currencies, suggesting that the West German Government's preferred path to economic growth is through the increased competitiveness conferred by stable prices at home.

The German Government is hoping that the revaluation will increase the attractiveness of the mark to foreign investors creating scope for interest rate reductions at home.

The major problem with the French franc has been its fall from grace as an investment currency since President Mitterand came to power in May. There was nothing in the French statements issued at the weekend to suggest that France has done more than buy a breathing space from further speculative attacks on its currency.

Devaluation is normally accompanied by austerity. Yet after the meeting, M

## Has Europe's monetary system tipped in Britain's favour?

The weekend realignment of currencies within the European Monetary System (EMS) is bound to intensify debate on the advantages and disadvantages of early British membership. With the British Government's decision to defer a decision to go in than at any time since the EMS was born in March 1979, could the realignment finally tip the balance and persuade it to apply for membership?

There are two reasons why it might. The growing interest in full British membership of EMS has been sparked off by the Government's desire to avoid further steep falls in the value of the pound because of the damaging impact this has had on the cost of imports and thus on domestic inflation.

At the same time there has been mounting dissatisfaction with the volatility and instability shown by the foreign exchange markets, which exaggerates the exchange rate changes necessary to correct fundamental imbalances and leads to prolonged periods of under or overvaluing. This means great uncertainty in planning ahead both for industry and for government.

Despite realignments (and the latest is only the second major realignment in 2½ years) the EMS, as the governor of the Bank of England has pointed out on a number of occasions, has been a haven of relative stability in a stormy period for foreign exchange markets. It is this experience, indeed, which now inclines the Bank towards British membership.

However, even for EMS supporters who include the Foreign Office as well as Treasury

officials, a big stumbling block has been deciding the rate at which the pound should enter, particularly against the Deutsche mark.

Pegging the pound at too high a rate would hurt the competitiveness of British industry, and would commit the authorities to a defending a rate which might finally prove unsustainable. At the end of last week the pound was still higher against the mark than it was in March 1979, when it would buy only DM3.85 compared with Friday's DM4.17. And since that time United Kingdom inflation has run at nearly three times the German rate.

Many analysts feel that pegging the pound much above DM4 would be disastrous. But the realignment brings DM4 that much closer. Yesterday the pound was trading at around DM4.10, a level which would bring the EMS fluctuate within narrow bands (2½ per cent above or below their central rates) against the European Currency Unit, except for the item which has a maximum divergence of 6 per cent. Supporters of British membership can claim that a sustainable rate for sterling now looks attainable.

The expected buoyancy of the Deutsche mark provides the other reason now seen for EMS membership. Because EMS currencies are tightly linked, a rise in the Deutsche mark appreciates against the dollar and tend to drag other currencies up in line. This could be of great benefit to Britain which does more trade in dollars than any of the other European countries and stands to import substantial inflationary pressures from

further falls against the American currency.

The pound-dollar rate could come under particular pressure towards the end of this year as the American interest rates are expected to shoot up again because of pressures on the money markets from funding the huge federal budget deficit.

Opponents of early British membership of the EMS currency mechanism, which include the Chancellor, Sir Geoffrey Howe backed by the international finance section at the Treasury, remain unconvinced.

They point out that the very same strength of the Deutsche mark is likely to lead to further instability within the EMS with the mark persistently bursting through its permitted ceiling against weaker currencies. Indeed, what has brought about the disintegration of the currency "snake" which preceded EMS. And they suggest that EMS stability over the past 2½ years has been achieved only because the mark has been uncharacteristically weak.

EMS opponents also believe that full membership would not solve sterling's problems and might increase them. Membership would not solve Britain's monetary problems from taking unpleasant measures to support the currency if it came under pressure.

On the contrary it would be obliged to do so, while the existing option — of letting the pound fall albeit with inflationary consequences — would be ruled out except as an exceptional adjustment. This "bias to delay," which the authorities were so eager to escape from in the dom-

REVISER: WURSE	10 10 81
UNITED STATES DOLLAR	MARK
USA	2.440 2.450 2.460
ENGLAND	4.76 4.78 4.80
IRELAND	3.55 3.56 3.57
CANADA	80.10 80.11 80.12
NEDERLANDSE	71.32 71.33 71.34
SCHWEIZ	35.7 35.8 35.9
BEUGEN	3.5 3.6
FRANKR.	136.7 136.8 136.9
DAHEMAR	3.5 3.6
NORWEGE	136.7 136.8 136.9
SCHW.	3.5 3.6
OS.	3.5 3.6
FIN.	3.5 3.6

downward movement of the franc.

Italy devalued its currency last March by 6 per cent and has only just put into effect a programme to bring inflation down to 16 per cent next year from around 20 per cent at present. The Italian economy is extremely prone to imported inflation. A 5 per cent depreciation of the lire can normally be expected to add between 1 per cent and 1.5 per cent to the domestic inflation rate.

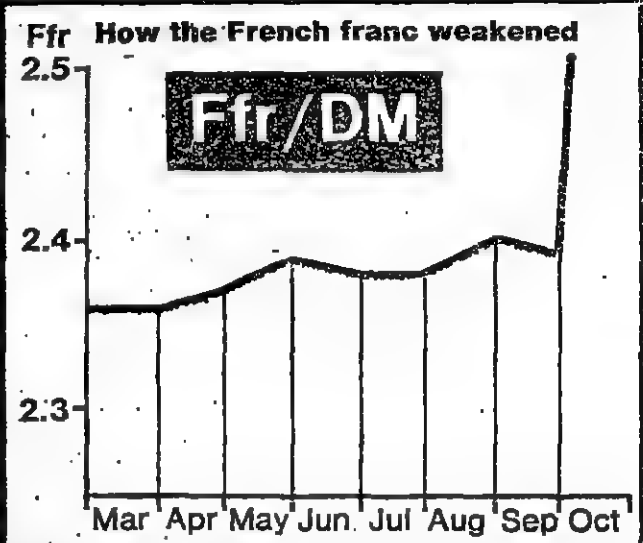
Belgium stood out against any devaluation of its franc. Belgium has the highest level of state debt per head of population of any of the Western industrial countries. Its current account is massively in deficit and the national bank has been forced to buy an estimated 250,000 francs in support of the currency this year.

But Belgium also has the most comprehensive system of indexation of any EEC Member state and at present is under a caretaker government which by law can only take routine decisions in the period up to the general election on November 8.

The failure of successive governments to secure union backing for a dilution of the indexation system reinforced the insistence of M. Robert Vandepitte.

Belgium's finance minister, that the franc's central rate remain unchanged. There is a case for saying that the relatively high 5.5 per cent revaluation of the currency of Belgium's two major trading partners could give Belgium industry a temporary lift in competitiveness. But the danger lies in increased pressure on an inflation rate that has crept up from 7 per cent in January to nearly 8 per cent by the middle of summer.

Although Belgium's relatively low inflation rate could offer some hope that the new central rates might hold for some time, the failure to adjust the Belgian franc appears to be a grave weakness in the new regime. The first reaction of foreign exchange bankers tended to be that the EMS must come under renewed pressure within, possibly, six months.



estic money markets by suspending minimum lending rate and letting the markets take the strain, could impose heavy and unnecessary costs on the economy through elevated interest rates, loss of reserves, or more deflationary policies.

Opponents allege that the pound would be at a special disadvantage because of its petro-currency status and use as a home for speculative money makes it particularly prone to fluctuation.

EMS membership also precludes the pursuit of an independent monetary policy, though this objection has faded into the background since the Government made it clear earlier this year that interest rates would be fixed with an eye to the exchange rate.

Dollar weakness against the Mark has been a crucial factor pulling the EMS apart

in recent weeks. Sky-high American interest rates, which are attracting funds out of all European currencies but especially the weaker ones, are depressing the EMS as a whole against the dollar, forcing the Europeans to raise their interest rates and, with the exception of France, to pursue tight money and fiscal policies to curb the inflationary consequences.

Despite pressure from the Foreign Office, which feels that an early decision to join the exchange rate mechanism of EMS would be a valuable political gesture in the closing months of the British presidency of the EEC Council of Ministers, the signs are that a decision to join will again be put off indefinitely — in official parlance, "until conditions are right."

When that will be is anybody's guess.

## Business Diary: Cheers in the City of London Arms

A brace of former Lord Mayors of London, namely Sir Peter Gadsden and Sir Lindsay Ring, take to the skies today on their way to visit one of the City's more unusual money-making schemes.

Both gentle souls may need their wits about them when they visit Lake Havasu in Arizona, for the past 10 years home to the old London Bridge. Some locals, apparently, still feel they were hornsawed by the corporation when it sold them the bridge; what they expected to arrive brick by brick was Tower Bridge and not its equally historic, though less attractive, former neighbour.

Still, the Arizonans can not complain. The bridge, rebuilt by the McCulloch oil company has brought in the visitors and led to something of a property boom. And Sirs Peter and Lindsay will have some ammunition to throw at any Londoners who are still griping about the sale.

When the bridge was re-erected, the corporation took an acre of land and built a gift shop and a pub called, naturally, the City of London Arms. In the past decade, the development has turned in a total profit of around \$100,000.

Since Arizona has a state law banning foreigners from

owning developments within its boundaries, the site is administered through agents and a company called the City of London (Arizona) Corporation.

The celebrations being held to mark the bridge's decade on American soil are the reason for the visit by the two knights.

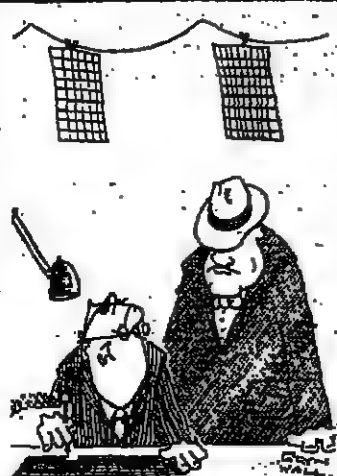
Happily, however, the trip is not all business. The mayors are also planning a trip to Las Vegas, though the idea that two such eminent City gentlemen could possibly take to the tables is clearly monstrous. Imagine they want to check up on the illuminations.

Car cares

Nicholas Winterton, the volatile Tory who has been raising accusations about alleged misdeeds at De Lorean, is likely to find a new ally in the Government.

He is none other than Jock Bruce-Gardyne who until a few weeks ago had to content himself with voicing his opinions in the pages of *The Sunday Telegraph*.

Come the reshuffle, Bruce-Gardyne was elevated to the position of Minister of State at the Treasury, a job which gives him every right to cast a critical eye over the vast amounts of taxpayers' money which has so far found its



"We've made the forgery operation inflation-proof, boss. We've stopped producing bank-notes in favour of postage stamps."

way to the Belfast car firm.

His eye is likely to be very critical indeed. Long before the present hoo-ha, Bruce-Gardyne was not masking his distaste for the £80m of government aid for De Lorean, a scheme which was set up by the last Labour government.

He is likely to take more than a passing interest in the allegations which Winterton has raised. Both men are well

to the dry end of the party, a position they had hoped would earn elevation immediately Mrs Thatcher came to power.

The hours of waiting by the phone have only just been answered for Bruce-Gardyne; it remains to be seen if the bell will ever ring for Winterton.

## Head hunter

Another optimistic Tory lackey, Philip Holland, MP for the Conservative Party, deserted Commons with floor boards up and maintenance men beavering away, to launch his latest bout of quango-bashing yesterday.

Holland will clearly not rest until the last member of the species has been eradicated. He has had some success because one of his allies is Mrs Thatcher, who wants to chop the expenditure which goes into these activities.

In front of him, as he answered questions, Holland carried Nusu-nusu, a carved wooden head, decorated with sea shells, which was presented to him last year by Peter Kenelorea, the Prime Minister of the Solomon Islands.

"I presented it, explaining that his ancestors always carried such a mascot in front of them whenever, a head-hunting party went out on a raid," said Holland. "He

thought it appropriate, since I had become known as the chief head hunter of the United Kingdom."

Holland, who seemed to be poised for a raid on the Equal Opportunities Commission and the heads of women-libbers, said he carried the head with him on all his missions.

He felt that the spirit of the old headhunters was with him.

Tokyo tykes

I am not at all sure I believe this one.

Boosey & Hawkes, the musical instrument people, tell me they are having interesting discussions with one Takeo Yamamoto, musical director of the Tokyo Brass Band Society.

Yamamoto is a straining oriental ecstasy listening to such mega-stars as the Black Dyke Mills, the Brighouse and Rastrick, and the Grimethorpe Colliery brass bands. Should he succeed in spreading his enthusiasm to his fellow Japanese, we may yet see a slight reduction in the flood of instruments which now winds its way from all corners of the Far East to our own shores.

Peter Ashcroft, managing director of Boosey & Hawkes (Musical Instruments), says: "It is marvelous to have Mr Yamamoto as an ally. Since

the Japanese have had some success in the United Kingdom market it is more than fitting that we should develop what might become a major musical cult.

"We have established that the Japanese market may be worth hundreds of thousands of pounds to the British musical industry and Boosey & Hawkes over the next few years."

It is not yet a cult, though Yamamoto does reckon that 22 brass bands have been started during the last three years.

To my knowledge, Tokyo already has an active Sherlock Holmes society — the Baker Street Irregulars — and if you look around you will probably find no end of Japanese morris dancers, hog callers and amateur female mud wrestlers.

The sooner we realize they are destined to rule the world the better.

A word in the ear of the folk at the London Enterprise Agency. Yes, it's all very nice to hear in your annual report about bringing jobs and business back to London. But if you really want my colleague Ross Davies to write about it, will you kindly cease addressing him as "Rose Davies".

David Hewson

## Allied Irish Banks Limited

## INTEREST RATE CHANGE

Allied Irish Banks Ltd. announce that with effect from close of business on 5th October 1981 the Base Rate for advances is 16% per annum.

Allied Irish Banks Limited, 64/66 Coleman Street, London EC2R 5AL



## Stock markets

## Prices leap on good news from US

Shortage of stock and some bearish closing forced share prices sharply upwards in their trading yesterday, after a rather cautious start to the day. A stronger tone was already emerging by mid-morning. But it was the good start on Wall Street and the news that some American prime rates had been cut to 19 per cent that really set British share prices moving. A few investment buyers came in and jobbers, who had expected fresh falls today, were caught short of stock.

After opening 1.8 points down, the FT index was 6.2 points up on last week's close by midday, and ended 14.1 points higher at 490.4.

Long-dated gilts were also encouraged by the cut in United States prime rates and rose 1/2 to 1 1/2 in modest trade. Shorter gilts were active, with the tap stock operated twice, once at 58 1/2 and again at 58 1/2. Shorter gilts closed 1/2 to 1 1/2 better overall.

Leading shares saw a classic bear squeeze as a few buyers fearful of missing a recovery came in for stock but no sellers materialized. The market was left short of stock and if anything found greater difficulty in trading in the rise than when shares were falling sharply in one-way trade a week to 10 days ago.

ICI rose 1 1/2 to 268p while Glaxo jumped 2 1/2 to 394p and Beecham closed 7p higher at 197p. Unilever benefited from the revaluation of the guilders, which sent its Dutch counter-

part Unilever NV up sharply and contributed to a 2 1/2p rise to 576p in the British company's shares.

GKN added 3p to 151p while Tubes was unchanged at 112p, but Hawker rose 1 1/2 to 286p and Pilkington gained 5p to 271p. Bowater bounced up 10p to 214p, and BAT rose 15p to 365p.

Electricals saw GEC rise 20p to 694p in a shortage of stock, while Racal rose 2 1/2 to 410p, and Thorn EMI gained 8p to 423p. Plessey put on 8p to 356p.

With nearly 85 per cent of the BIC rights issue taken up, the remainder was successfully put through the market and the shares rose 10p to 237p.

Wheeler's Restaurants, whose shares have come down this year from 430p to a low of 240p, is negotiating to open a third City eating house. Word is that after abandoning plans at Angel Court, near the Stock Exchange, it is negotiating to buy the City Tavern near St. Paul's. The shares closed 5p lower last night at 270p.

Oil shares saw some aggressive but selective buying in a thin market. BP jumped 16p to 294p. Boosted by the revaluation of the guilder, which sent its Dutch counter-

part Shell rose 14p to 344p. Ultramar gained 18p to 433p. Second-line stocks saw Premier jump from a 55p start to 60p, add Carless rose 6p to 215p on the day. Amstar, with figures out today, rose 15p to 166p yesterday.

Banks saw Arbuthnot Latham up 5p to 310p at the close on the proposed merger with Dow Scandia, but fell back to 300p after hours. Clearing banks all rose 10p in a thin market, with Barclays at 418p, Lloyds at 391p, Midland at 318p and

National Westminster at 378p. Royal Bank of Scotland slipped 2p overall to 146p, after falling to 140p at the start of the day's trading.

Insurances saw gains of 8p to 12p with Royal up 12p to 370p. Alexander Howden started in insurance brokers, up 6p to 135p in quite active trading. It hopes that United States bidder Alexander and Alexander might alter the offer terms.

Property shares rose sharply in very little trade as a handful of investors hunted for stock. Land Securities rose 9p to 290p, MEPC put on 10p to 210p as did Great Portland Estates at 182p, and M P Kent at 140p on the figures. Building issues saw selective demand for Tarmac, 12p higher at 348p, and Blue Circle up 6p to 228p. Good figures from Rugby Portland Cement put 4p on the shares to 79p. But litigation fears knocked 30p off Roberts Adlard to 90p, despite the company's reputation of press reports.

Other groups reporting yesterday included Silkolene down 6p to 195p on halved profits, and Suter Electrical, up 2p to 49p. Streeters gained 3p to 23p. Better than expected figures from Freemans left the shares 14p higher at 114p, which sent rival Grattan, 6p better at 32p. Empire Stores gained 10p to 82p, and GUS A

shares rose 5p to 393p, in sympathy.

MDW-Holding shares were suspended at 83p during bid talks.

Halitite rose 15p to 283p on news that General Tire effectively had 20 per cent of the shares. Speculative interest put 20p on Cornhill Dyes to 123p, and 29p to 285p on Polly Peck.

In golds, Anglo American Gold rose 1/2 to 149 1/2 yesterday and Charter Consolidated gained 1 1/2 to 230p. Johnson Matthey was a good market, 11p higher at 266p.

Equity turnover for October 2 was £90.85m (11.85p bar-gains). Active stocks yesterday were Glaxo, ICI, Hilsons Food, Unilever, Lonrho, Beecham, Racal, British Aerospace, BP, GUS, "A" Premier Consolidated, Land Securities, ICI, Horizon Travel, Town & City, Downy, Lucas, Calfins, European Ferries, Hamlyn Life, Ultramar, S & W, Bedford, Cope Allman, MEPC, Alexander Howden and Bowater.

Traditional options had a quieter day to start the week. Calls were done in 100s, contracts for 100s, 200s, 300s and 400s. Put contracts for 100s, 200s, 300s and 400s. Put contracts for 100s, 200s, 300s and 400s.

Traded options were quite busy, with 2,678 contracts traded. BP 260's, 280's and 300's were active, as were Shell 330's and 360's.

## Latest results

Company	Sales	Profits	Earnings	Div	Pay	Year's
	£m	£m	per share	pence	date	total
Anchor Chem. (I)	6.12(7.07)	0.27(0.26)	5.3(4.7)	12(38)	20/11	(12.38)
Cope Allman (F)	184(195)	0.37(11.3)	2.4(21.1)	2(2.8)	8/1	2(4.39)
M. P. Kent (F)	4.27(5.37)	0.16(0.14)	0.8(0.43)	1(1.4)	1/1	2(2.5)
Ida & Co. Advt (I)	0.78(0.63)	0.18(0.04)	1.25(1.49)	2.6(2.25)	13/1	3(3.5)
Wm. Pickles (I)	10.8(12.7)	0.36(0.43)	0.25(0.31)	0.5(1)	30/11	1.75(1.25)
E. J. Riley (F)	87(7.2)	0.88(9.33)	5.3(7.3)	0.5(1)	30/11	1.75(1.25)
Rugby Cement (I)	67.6(66.6)	0.16(0.14)	1.0(0.5)	0.6(0.6)		
Streeters (I)	4.96(3.82)	0.16(0.14)	1.0(0.5)	0.6(0.6)		
Suter Elec. (F)	16.5(4.22)	0.47(0.45)	1.1(1.7)	0.6(0.6)		
Tate of Leeds (I)	8.7(8.93)	0.24(0.21)	1.9(1.73)	0.6(0.6)		
Waterford Glass (I)	58.3(73.5)	5.04(4.5)	1.9(1.73)	0.6(0.6)		

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown pre-tax and earnings are net. \*Loss. †For 13 months. ‡For 14 months.

## Reconstructed Renwick expects better year

Demand has remained sluggish in many areas at Renwick Group, Mr. Clifford Wilton, chairman, says in his annual report. Nevertheless, because of the reconstruction following the successful bid by the South African group Kaopra, the group has traded profitably and has every reason to expect a better year, Mr. Wilton says.

The auditors note that the group has not complied with statement of accounting practice No 16, which requires a current cost statement. Mr. Wilton says that while it has always been the group's practice to comply with such standards, the board considered that in this case it would have been confusing or misleading for shareholders.

**Hiltons Footwear**  
As part of the proposed merger of Hiltons Footwear with George Oliver Footwear,

the board of Hiltons says that it has received irrevocable undertakings in respect of a further 189,196 Hiltons shares. Irrevocable undertakings to accept the offer have now been received in respect of 2.47m Hiltons shares (40.23 per cent).

**Halitite Holdings**  
Laurie Milbank is purchasing in the market a further 5 per cent of Halitite holdings at £2. Laurie Milbank has bought 120,134 shares of Halitite on behalf of General Tire and Rubber at that price. General Tire and Rubber now holds 480,537 shares (19.99 per cent).

**Czarnikow Schroder**  
C. Czarnikow and J. Henry Schroder Wagg & Co have formed a partnership, Czarnikow Schroder, in which their interests are respectively 51 per cent and 49 per cent, to

carry on the business of broking and dealing in oil futures on the International Petroleum Exchange in London and in oil futures on the New York Mercantile Exchange. Czarnikow's existing business on the International Petroleum Exchange will be transferred to the new partnership, and Czarnikow is seeking approval of the International Petroleum Exchange to the transfer of its floor membership to the new partnership.

**Lloyds and Scottish**  
Lloyds Bank says that the offer made for the outstanding shares in Lloyds and Scottish has closed.

Shareholders holding 11,99m ordinary shares (10.09 per cent) accepted the offer. Together with the 59.6m shares held by Lloyds Bank before the posting of the offer, this brought Lloyds Bank's holding to 71.6m shares (60.30 per cent).

Of the balance of 47.1m shares, Royal Bank of Scotland holds 46.0m shares (95.6 per cent) and other shareholders 515,600 shares (0.44 per cent).

**Waterford Glass**  
Waterford Glass has held its interim dividend at 0.6p for the six months to June 30. On turnover of £178.5m, against £173.5m, pre-tax profits rose from £14.5m to £15.5m to £16m.

The board says that in the crystal division, production levels improved and demand remains strong, particularly in the United States and Canada.

**Tate of Leeds up**  
Although the turnover of Tate of Leeds, the Yorks main dealer, slipped from £8.9m to £8.7m in the half-year to June 30, pre-tax profits rose from £211,000 to £243,000. The board reports that the outlook for the second half is fair.

## Anchor Chemical halves dividend

By Our Financial Staff

Anchor Chemical, the Manchester-based chemicals manufacturer and distributor

yesterday reported a more than halved dividend for the six months to June despite better trading in the period.

Pre-tax profits were marginally up at £279,000 compared with £267,000 last time on sales down to £6.12m from £7.07m. The shares stayed unchanged at 68p on the news. The half year dividend is 1.42p gross compared with 3.4p last year.

Mr. Bryan Pugh, chairman, said the first half shows a well come improvement over results for the second half of 1980 which saw extremely depressed trading in the United Kingdom.

In 1980 the group made £224,000 compared with the record £784,000 in 1979, and passed the five dividend.

Overseas companies in Italy, the United States and South Africa were again responsible for the main profits contribution, but the United Kingdom

continued to return a modest profit. In the second half of 1980, the group's losses were due entirely to the vigorous action taken at the end of last year to cut costs and overheads.

The workforce at Anchor (UK) was reduced by 20 per cent to 180 employees and a four-day week was in operation through the period. Short-time working continued in the depressed home businesses and the group is now able to forecast whether profits will be made in the second half.

Shares rose 5p to 393p, in sympathy.

MDW-Holding shares were suspended at 83p during bid talks.

Halitite rose 15p to 283p on news that General Tire effectively had 20 per cent of the shares. Speculative interest put 20p on Cornhill Dyes to 123p, and 29p to 285p on Polly Peck.

In golds, Anglo American Gold rose 1/2 to 149 1/2 yesterday and Charter Consolidated gained 1 1/2 to 230p. Johnson Matthey was a good market, 11p higher at 266p.

Equity turnover for October 2 was £90.85m (11.85p bar-gains). Active stocks yesterday were Glaxo, ICI, Hilsons Food, Unilever, Lonrho, Beecham, Racal, British Aerospace, BP, GUS, "A" Premier Consolidated, Land Securities, ICI, Horizon Travel, Town & City, Downy, Lucas, Calfins, European Ferries, Hamlyn Life, Ultramar, S & W, Bedford, Cope Allman, MEPC, Alexander Howden and Bowater.

Traditional options had a quieter day to start the week. Calls were done in 100s, contracts for 100s, 200s, 300s and 400s. Put contracts for 100s, 200s, 300s and 400s. Put contracts for 100s, 200s, 300s and 400s.

Traded options were quite busy, with 2,678 contracts traded. BP 260's, 280's and 300's were active, as were Shell 330's and 360's.

Wall Street  
New York, Oct 5.—Stocks closed higher, although early gains were eroded by profit-taking later in the afternoon.

Analysts said the profit-taking was to be expected after the market's sharp gains last week, which saw the Dow-Jones industrial average rise more than 36 points. After being ahead more than nine points, the DJ average closed 0.66 lower at 859.87.

Other broad-based indices were higher and advances outpaced declines by about two to one. Volume narrowed to 51 million

shares from 54.54 million on Friday.

Michael Metz of Oppenheimer & Co. said: "There were a lot of sellers just waiting for a rally to unload" their holdings. Analysts also noted the bond market weakened and the stock market followed the trend.

The recent decline in short-term interest rates was reflected in today's reduction in prime rate to 19 per cent from 19 1/2 per cent by most major banks.

Friday's report of an unexpected \$1,500m drop in M-1B money supply figure, along with recent statistics pointing to a weakening in the economy, raised hopes that the policy-making Federal Open Market Committee will decide to ease monetary policy further at tomorrow's meeting.

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## Cope optimistic despite net loss

By Our Financial Staff



Mr. Louis Manson, chairman of Cope Allman.

Cope Allman, the packaging, engineering and amusement machines group, has just managed to crawl back into the black at the pre-tax level after the first half loss of £950,000. But pre-tax profits for the year to June 30 are only £375,000 against £11.5m, and after £6.5m of extraordinary items arising from rationalization moves to reshape the group, Cope had a near-£10m turnaround to net losses of £5.3m.

But the group is confident that the past year's surgery and the better second half bodes well for the future and is paying a final dividend of 2.86p gross compared with a total distribution the previous year of 6.55p.

Worst affected by the recession has been the packaging side where the slump in cosmetic containers dragged trad-

volume growth in the leisure division and trading units were down from £6.5m to £4.8m. A strong performance from the Long & Crawford electrical switchgear helped exports to remain steady at £23.7m.

In spite of all this, Cope has come through the year with only a £2.5m increase in borrowings thanks to cuts in working capital. Capital spending is only a tenth lower at £18.5m, and gearing has dropped from almost 80 per cent at the half-way stage to 60 per cent.

Profits this year will continue to be hampered by the recession and high interest rates—interest gearing is close to 100 per cent—but management action in the last year will result in some improvement. The shares managed a 2 1/2p rise to 41 1/2p.

ing profits down from £3.5m to £35,000. Falling sales of video games and severe pressure on margins offset a 19 per cent

who made £3.2m when he sold B & Q company to F. W. Woolworth for £16.6m after less than two years as a public company.

Mr. Quayle, Mr. Rosenhead and Mr. Coventry together held 80 per cent of Royal Stafford.

Figures released yesterday by the group show that Royal Stafford made a pre-tax profit of £6,000 for the six months to the end of June, effectively on a four month turnover of £310,000. It is forecasted profits of £50,000 by December and the consortium has waived any dividends for at least a year.

Mr. Rosenhead and finance director Mr. Peter Coventry put up a total of £30,000 for a 20 per cent stake, but the leading shareholder is Mr. David Quayle,

who made £3.2m when he sold B & Q company to F. W. Woolworth for £16.6m after less than two years as a public company.

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Figures released yesterday by the group show that Royal Stafford made a pre-tax



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## Legal Appointments

### KUWAIT PETROLEUM CORPORATION

The Marketing Sector of Kuwait Petroleum Corporation, Kuwait, is responsible for the international sales of the country's crude oil and petroleum products, and incorporates technical, planning, analytical, operational and other related functions to support its sales activities.

There is a requirement within this sector at Head Office for a

#### SENIOR LEGAL ASSISTANT

The Senior Legal Assistant is to be involved in the examination, analysis and drafting of legal texts, agreements, contracts and other legal instruments relating to the functions of the Marketing Sector which will also require research and knowledge of legal developments in the petroleum industry worldwide. The assistance of a lawyer with a minimum of 5 years' experience in the legal aspects of the international petroleum industry is required.

An attractive salary with furnished accommodation is offered, and benefits such as educational allowance for children, paid annual leave of 35 calendar days with air passage for employee and family, insurance coverage, and end of service bonus.

Interested candidates are invited to write in confidence, giving full details of academic background, career history to date, personal data, address and telephone number to:

The Administration Manager,  
Kuwait Petroleum Corporation,  
P.O. Box 26363, Safat, Kuwait.

## LITIGATION

A Key appointment

£12,000 - £20,000

The retirement of a litigation partner necessitates the recruitment of a senior lawyer able to share responsibility in supervising a substantial litigation department.

The solicitor appointed will merit immediate or very early salaried partnership with the prospect of equity participation in the fullness of time. It is unlikely that a suitable applicant will currently be earning under £12,000.

The practice is one of London's major firms and services a strongly commercial clientele. It has modern systems and good offices.

Applications, which will be treated in strict confidence, should be made quoting reference RM/C41 to Reuter Simkin Ltd. 307-308 High Holborn, London WC1V 7LL. Telephone: 01-405 6852.

## Head of Legal Services

c.£18,000+ Car

The Abbey National, one of Britain's most progressive building societies, is seeking to appoint a Head of Legal Services as the Chief Solicitor is currently undertaking wider managerial responsibilities across the spectrum of the Society's activities.

The incumbent of this new post will be responsible for the management of the Legal Department and the Deeds Administration Department which comprise approximately 100 people, and must be capable of giving legal advice to senior management upon a wide range of the Society's affairs.

Preference will be given to a Solicitor with at least 10 years' admitted experience in private practice and/or commerce and industry, with extensive ability as a lawyer but with a potential for management development.

A sound knowledge of conveyancing (both residential and commercial) will be required. An initial salary in the region of £18,000 will be paid and a car and other benefits will be provided. Candidates who wish to be furnished with further information and an application form should write with brief details of their career to Mr. A. R. Rendel, General Manager (Personnel), Abbey National Building Society, 27 Baker Street, London W1.

**ABBEY NATIONAL BUILDING SOCIETY**

## ASHURST, MORRIS, CRISP & Co.

### COMPANY AND COMMERCIAL SOLICITORS

Ashurst, Morris, Crisp & Co. wish to recruit experienced Solicitors in the field of Company and Commercial law. The work is demanding, interesting and wide-ranging.

Applicants should have at least two years admitted experience, preferably in the City.

Application with full Curriculum Vitae should be sent to:

W. DRUMMOND,  
ASHURST, MORRIS, CRISP & CO.,  
BROADGATE HOUSE,  
7 ELDON STREET,  
LONDON, EC2M 7HD

## BARRISTERS CHAMBERS SENIOR CLERK

£15,000

Central London

A well-established and developing set of Chambers requires someone to fill the office of Senior Clerk.

A particular emphasis will be placed on communicating with solicitors' firms at all levels. Additional responsibilities include co-ordination, planning, and supervision of staff.

The successful candidate will need to show initiative, judgement and commercial flair. In addition understanding of basic legal practices and the ability to establish and maintain relationships are important.

Please apply in confidence to I. H. Willis:

**IAN WILLIS ASSOCIATES LTD.**

Executive Selection Consultants

16 Regency Street, London SW1P 4DD.  
Tel: 01-821 6543 or 821 6229.

## Legal Adviser

### International Banking

Our client, a leading British international bank, seeks a Legal Adviser for its Merchant Banking Division in London, to ensure the maintenance and development of sound standards of documentation for merchant banking transactions across national boundaries.

The requirement is for a qualified lawyer with significant experience in this field preferably gained in the international banking section of a major law firm.

There is a possibility of development and advancement in other areas of the Bank.

Age is likely to be late 20's or early 30's with at least four years' post qualification experience. Remuneration according to the age and experience of the individual, but expected to be within the bracket £14,000 to £18,000, with the usual additional benefits associated with banking.

Please telephone (01-629 1844 at any time) or write - in confidence - in the first instance for a personal history form. B. G. Woodrow ref. A. 1929.

This appointment is open to men and women.

### MSL LEGAL

Management Selection Limited  
International Management Consultants  
17 Stratton Street London W1X 6DB

## Linklaters & Paines

### TAX ADVISER

LINKLATERS & PAINES seeks a recruit for its Tax Department. The successful candidate, being qualified as either a lawyer or an accountant, will have a good academic record and the ability to work as a member of a team. The work principally involves corporate tax planning, frequently of an international nature (requiring occasional overseas travel) and carries with it a substantial measure of individual responsibility.

Salary and benefits offered will take into account age and experience. Apply with full C.V. to:-

John Hamilton, Personnel Manager,  
Linklaters & Paines,  
Barrington House, 59/67 Gresham Street,  
LONDON EC2V 7JA.



THE COMMISSION  
FOR RACIAL  
EQUALITY

### HIGHER EXECUTIVE OFFICER - LEGAL

The Commission for Racial Equality has a temporary vacancy for a HEO in the Legal Section of its head office in London. The post will be available until the end of August 1982.

The Commission for Racial Equality was set up under the Race Relations Act 1976. Its main duties are to work towards the elimination of racial discrimination and to promote equality of opportunity and good race relations.

Candidates should have a professional legal qualification and litigation and advocacy experience. The successful candidate will be involved in tribunal representation and will be required to provide a legal input into all aspects of the CRE work plan; he or she will also assist in the preparation of the Commission's response to new and proposed legislation.

Starting pay will be at the minimum of the HEO scale: £7,467 p.a. plus an Inner London Allowance of £1,016 p.a., pro rata.

Please write for an application form and further details to the Principal, Personnel & Management Services (quoting ref. HEO/TEMP/LEGAL), Elliot House, 10-12, Allington Street, London SW1E 5EH, enclosing a large stamped addressed envelope. Completed applications should be returned no later than 19th October 1981.

## LITIGATION SOLICITOR

with not less than five years general litigation experience with emphasis on defendant E.L. and P.L. insurance claims required for busy W.C.2 practice. Salary commensurate with experience and ability and partnership prospects to successful applicant. Please send C.V. to: Box No. 2455 F. The Times

## WINCHESTER

Family practice seeks assistant/potential partner, aged about 30, admitted at least 2 years, must be able to handle litigation (title claims) with minimal supervision but good all rounder required. C.V. to: BOX NO. 2632 G, THE TIMES

## ASSISTANT SOLICITOR

Lincoln's Inn solicitors require an able Assistant Solicitor for their expanding Litigation Department, to deal with a wide and interesting variety of litigation work.

At least 2-3 years' admitted general litigation experience desirable.

Good salary, 4 weeks holiday, Pension Scheme and other benefits.

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Mrs. L. Godwin, Personnel Manager,  
Trower, Stoll and Keeling,  
5 New Square, Lincoln's Inn, London WC2A 3RP

## BIRMINGHAM COMMERCIAL SOLICITOR

We are seeking an experienced Commercial Solicitor for the further development of our company and commercial department. Applicants preferably in late 20s or early 30s should have experience in a wide range of company and commercial work for quoted and unquoted companies. The Solicitor appointed will be offered an early partnership.

Please write with details of experience and a C.V. to Charles Flint, Duggan Lea & Co., 43 Cannon Street, Birmingham, B2 5EQ.

## REYNOLDS PORTER CHAMBERLAIN

Seek experienced assistant solicitors for work in the COMPANY/COMMERCIAL field and in the field of TAXATION for both private and commercial clients. 3 years relevant experience is desirable.

Successful applicants will be talented draftsmen or women and be able to undertake a variety of work quickly and efficiently with minimum supervision. They will have direct responsibility to Partners. Remuneration will be at rates appropriate to age and experience.

Please write with full CV to Colin P. Ellis Partnership Secretary.

Reynolds Porter Chamberlain  
Chichester House,  
278/282 High Holborn, WC1V 7HA

## HONG KONG - SOLICITOR FOR

### COMMERCIAL AND CORPORATE FINANCE WORK

Linklaters & Paines wish to recruit a solicitor to work in Hong Kong with their Hong Kong firm which operates in association with Deacons, an old established and leading Hong Kong practice. The initial term will be for two and a half or three years, preferably the latter, and could lead to a permanent position in Hong Kong with Deacons. Applicants should have not less than two years' post qualification experience, including experience in financing work. Candidates will be interviewed in London in the first instance, and if a second interview is desired, this could take place either in London or, if practicable for the candidate, in Hong Kong.

Apply with full C.V. to:-

J. Hamilton, Esq., Personnel Manager, Barrington House,  
59/67 Gresham Street LONDON EC2V 7JA.

## SOLICITOR

### SHIP FINANCE - HONG KONG

Leading Hong Kong Solicitors seek Assistant Solicitor with experience of advising banks and ship owners on security documentation, syndicated loans and other finance, new buildings, etc. Applicants preferably should have at least 2 years experience in this field. Write in confidence to Box 0937 G, The Times.

Interview London November.

## COUNCIL OF EUROPE LEGAL DIRECTORATE BRITISH LAWYER

for the Directorate of Legal Affairs

Duties: Secretariat assistance to committees of experts on legal matters.  
Age limit: 35.  
Qualifications: University degree in law; good knowledge of public international law; fluent English; good knowledge of French; knowledge of German desirable.  
Starting salary: between 8,000 and 11,000 French francs monthly depending on age and experience; tax exempt; plus allowances as appropriate.  
Further information and the official application form can be obtained from the Establishment Division of the Council of Europe - BP 454, 87 67000 STRASBOURG CEDEX, FRANCE.  
Closing date for the submission of completed application forms: 5 November 1981.

## COMMERCIAL LITIGATION

Solicitor with at least one year's first class experience required by young firm. Excellent salary for the right person. Write with C.V. to

J. Memery & Co.,  
31 Southampton Row,  
London WC1E 5HT  
Reference R

## NORTHAMPTON EXPERIENCED COMPANY AND COMMERCIAL SOLICITOR

Shoosmith & Harrison are looking for an experienced company Solicitor. This is an important position in our Corporate Law Department, based in Northampton, offering considerable scope to build up an expanding aspect of our practice.

The successful applicant will need a thorough knowledge of the technical and practical aspects of Company and commercial law and will be responsible to busy partners for day to day running of the department. Salary will be commensurate with experience. Salary will be commensurate with experience.

Please contact Mr K. M. Archer, Messrs Shoosmith & Harrison, 20 Market Square, Northampton. Tel: Northampton 20151.

## International Corporate Lawyers

A leading City firm is looking for one or two young qualified lawyers to join their busy and expanding Company and Commercial Law practice.

A good academic background is essential but previous experience is less important than an ability to learn rapidly and to cope with a demanding work load, much of it international in content.

Terms and conditions are excellent and successful candidates could expect to make rapid progress in advancing their careers.

Please reply in the first instance, sending full career details to Ref. MA 336 Robert Marshall Advertising Limited, 44 Wellington Street, London WC2E 7DJ.

Robert Marshall Advertising Limited



## Esso Lawyer

The oil industry and Esso within it, is destined to play an important role in world and UK economies throughout the 1980s and beyond. This Company needs a highly professional and energetic team of Lawyers to provide a first-class legal service over a myriad of problems.

Due to another promotion within the Exxon group there will be a vacancy within our Legal Department early in 1982. Applications are invited by not later than 30th October 1981.

- \* Enthusiasm, initiative and the ability quickly to take on full share of responsibilities are essential.
- \* Two years' post-qualification financial or commercial experience an advantage
- \* Solicitor or barrister aged 27-35
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